



COMMUNITY HEALTH PLAN
of Washington™

Committed to your health.™



Integrity Program Training for Providers

Fraud, Waste & Abuse Prevention

CHPW Compliance Department

December 2011

About this Course

Community Health Plan of Washington (CHPW) is contractually required to provide training on preventing, detecting, and deterring fraud, waste and abuse (FWA) to its providers.

Providers are responsible for:

- Completing FWA training.
- Submitting an attestation to CHPW indicating the training materials have been reviewed and are understood.
- Provide feedback on the training provided.

Training Objectives

After this course you will know and understand:

- How to identify and report fraud, waste & abuse (FWA)
- The False Claims Act and whistleblower protections
- Federally funded health care program exclusions
- Consequences for not complying with FWA requirements
- How to contact CHPW's Compliance Officer
- How to find resources and information on CHPW's FWA Program, including CHPW's FWA policies and procedures

Elements of FWA Prevention

This course is designed to provide information on FWA prevention.

The following key elements help prevent FWA:

- Knowing what constitutes FWA
- Understanding where FWA can occur
- Knowing how to identify FWA
- Knowing how to report suspected or potential FWA

Definitions

Fraud: An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to oneself or some other person. It includes any act that constitutes fraud under applicable law.

Waste: An overutilization of services or improper billing practices that result in unnecessary costs. Generally not considered caused by criminally negligent actions but rather through the misuse of resources.

Abuse: Gross negligence or reckless disregard for the truth in a manner that could result in an unauthorized benefit and unnecessary costs either directly or indirectly.

Where Does FWA Occur?

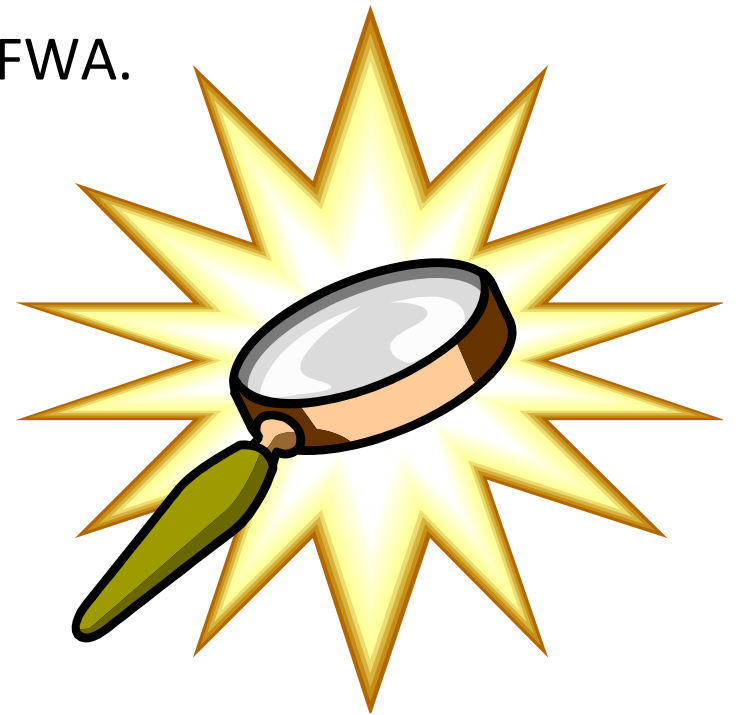
Although most people and organizations are honest, FWA may be committed by anyone, including:

- Patients
- Pharmacies and pharmacists
- Primary care practitioners
- Subcontractors
- Specialist practitioners
- Ancillary providers
- Suppliers
- Home health agencies
- Claims processing subcontractors
- Home health agencies
- Hospitals
- Dentists
- Billing agencies

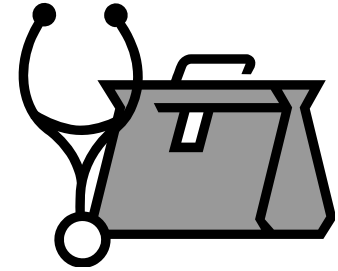
Identifying FWA

Understanding how to identify fraud, waste and abuse is key to its prevention.

The following slides outline examples of FWA.

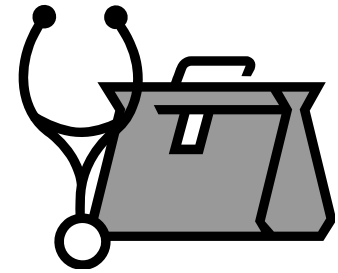


Provider FWA



- Routinely waiving coinsurance and deductibles
- Failure to authorize the provision of medically necessary services or falsifying certificates of medical necessity
- Selecting or denying coverage to patients based on their illness profile or other discriminating factors
- Providing excessive/unnecessary services or treatment not warranted by type/severity of illness
- Billing Medicare patients at a higher rate than non-Medicare patients

Provider FWA cont'd



- Double billing or knowingly submitting duplicate claims for reimbursement
- Billing non-covered services as covered items
- Billing for services not rendered and/or supplies not provided
- Soliciting, offering, or receiving a kickback, bribe, or rebate
- Offering inducements to patients for overutilization of services
- Unbundling of services to increase reimbursement
- Misrepresenting dates of service

Provider Prescription FWA



- Illegal remuneration schemes where a prescriber is offered, paid, solicits, receives unlawful remuneration to induce or reward the prescriber to write prescriptions for drugs or products
- Prescription mills where a prescriber writes prescriptions for drugs that are not medically necessary, often in mass quantities, and often for patients that are not theirs
- Prescription drug switching involves offers of cash payments or other benefits to a prescriber to induce the prescriber to prescribe certain medications rather than others

Pharma Prescription FWA



- Inappropriate billing practices such as:
 - Billing for brand when generics are dispensed
 - Billing for non-covered prescriptions as covered items
 - Billing for prescriptions that are never picked up
- Dispensing expired or adulterated prescription drugs
- Pill splitting or prescription drug shorting
- Bait and switch pricing
- Prescription forging or altering to increase quantity or number of refills, especially narcotics

Pharma Prescription FWA



- Theft of prescriber's DEA number, prescription pad, or e-prescribing information to illegally write prescriptions for controlled substances or other medications often sold on the black market. In the context of e-prescribing, includes the theft of the provider's authentication (log in) information.
- Coding medical services at a level that isn't supported by medical record documentation
- Falsifying a diagnosis or the identity of the individual who received the services, a diagnosis to justify higher payments

Patient FWA



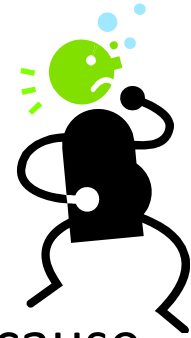
- Misrepresentation of status/personal information, such as identity, eligibility, or medical condition in order to illegally receive care or a drug benefit
- Medicare member manipulates true out of pocket (TrOOP) to push through the coverage gap, so the patient can reach catastrophic coverage before they are eligible
- Improper coordination of benefits where a patient fails to disclose multiple coverage policies, or leverages various coverage policies to game the system
- Identity theft involving the use of another person's card to obtain care or prescriptions

Patient FWA cont'd



- Prescription diversion, inappropriate use, or stockpiling where a patient obtains prescription drugs from a provider to avoid out-of-pocket costs, protect against non-coverage (i.e., by purchasing a large amount of prescription drugs and then disenrolling), or for purposes of resale on the black market
- Doctor shopping where a patient consults a number of doctors for the purpose of inappropriately obtaining multiple prescriptions for narcotic painkillers or other drugs.
- Falsely reporting loss/theft or feigning illness to obtain drugs for resale on the black market

Consequences of FWA



In terms of patient safety and quality of care, FWA can cause serious personal harm:

- Unnecessary procedures may cause injury or death
- Falsely billed procedures and medical identity theft can create an erroneous record of the patient's medical history
- Diluted or substituted drugs may render treatment ineffective or expose the patient to harmful side effects or drug interactions
- Prescription narcotics on the black market contribute to drug abuse and addiction, and perpetuates criminal activity

Consequences of FWA cont'd



Perpetrators of FWA face serious repercussions:

- Suspension of provider payments
- Termination of contract or disenrollment of patient from state/federal health care programs
- Exclusion from participating or benefiting from a state or federally funded health care program
- Assessment of damages, reimbursement, restitution, compensation, including civil monetary penalties
- Denial/revocation of Medicare/Medicaid provider application
- License revocation or suspension

Federal Laws



The following federal laws prohibit specific activities related to health care FWA:

- The False Claims Act or “Lincoln Law” (31 U.S.C §3729-3733)
- The Anti-Kickback Law (42 U.S.C. §1320a-7b(b))
- The Stark Law (42 U.S.C. §1395nn)

The Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a) outlines penalties related to violations of the above laws.

Federal False Claims Act



The False Claims Act allows people who are not affiliated with the government to file actions claiming fraud against a government contractor on the government's behalf for:

- Presenting to the government a false claim for payment
- Causing someone else to submit a false claim for payment
- Making or using a false record or statement to get a claim paid by the government
- Conspiring to get a false claim paid by the government
- Making or using a false record to avoid or decrease an obligation to pay or reimburse the government

Federal False Claims Act



Caution!

Providers, including pharmacists and pharmacies, are ultimately responsible for claims bearing their name, regardless of whether a claim was submitted by them or submitted on their behalf.



Federal False Claims Act



Civil and Monetary Penalties

- Fines up to \$11,000 for each false claim
- Exclusion from participating in Medicare & Medicaid programs
- Plus treble damages suffered by the government
- Possible criminal prosecution and imprisonment
- Trial costs

Social and Business Consequences

- Irreparable damage to one's reputation
- Loss of business



Whistleblower Protections



- A whistleblower is a person who raises a concern about wrongdoing occurring in an organization or body of people, usually from that same organization
- Whistleblower protection is a provision in the False Claims Act that:
 - Allows individuals to report fraud anonymously, sue an entity on behalf of the government and collect a portion of any resulting settlement
 - Prohibits employers from threatening, intimidating, or retaliating against employees, who in good faith report misconduct or wrong doing

Federal Anti-Kickback Law



The Anti-Kickback Law states that anyone who knowingly and willfully receives or pays anything of value to influence the referral of federal health care program business, including Medicare and Medicaid, can be held accountable for a felony.

Violations of the law are punishable by up to **five years in prison**, criminal fines up to **\$25,000**, administrative civil money penalties up to **\$50,000**, and **exclusion** from participation in federal health care programs.

Please refer to the Office of the Inspector General website for additional info and a list of safe harbor protections.

(<http://oig.hhs.gov>)

Stark Law



The **Stark Law** is a broad statute in the Social Security Act that prohibits:

- The referral of Medicare and Medicaid patients to entities with which the referring physician or members of his or her immediate family have a financial relationship for services identified in the statute as “designated health services.”
- An entity from billing or filing a claim for a designated health service as a result of a prohibited referral.

CHPW FWA Prevention

Some of the ways CHPW detects and prevents potential fraud, waste and/or abuse through include:

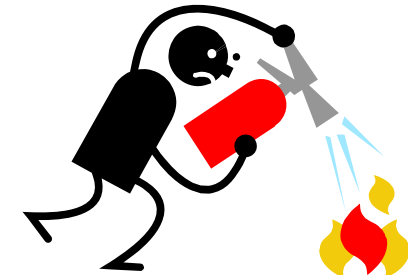
- Post payment review of claims and other claims analysis activities to identify patterns of potential inappropriate billing practices
- Medical Management staff or other employees asking for an ad hoc review
- Reports of suspected fraud, waste and abuse
- Discrepancies indicated by an enrollee that a provider billed for services not received

Help Prevent FWA

Providers should maintain the following to help prevent FWA:

- Maintain an organizational culture that promotes identifying waste vulnerabilities and protecting company resources
- Develop and maintain a compliance program
- Cooperation and coordination between providers, practitioners, vendors, contractors, government agencies, and law enforcement officials
- FWA training and/or resources for providers, contractors and patients
- Maintain written policies and procedures
- Well-publicized, consistently applied enforcement policies

Help Prevent FWA cont'd



- Perform regular internal audits
- Monitor claims to ensure coding reflects services provided
- Monitor medical records to ensure documentation supports services rendered
- Avoid unnecessary spending that can be eliminated without reducing the quality of care.
- Avoid redundancy, delays, and unnecessary process complexity in providing treatment
- Maintain open lines of communication with colleagues and staff and ask about potential compliance issues in exit interviews
- Take action if you identify a problem

Help Prevent FWA cont'd



Monitoring OIG & GSA Exclusion Lists

- Providers must screen all employees and health care-related subcontractors against the OIG and General Services Administration (GSA) exclusion lists at the time of hire/contract and at least annually thereafter to ensure that employees and individual/entities that assist in the administration or delivery of services haven't been excluded.

OIG List of Excluded Individuals/Entities (LEIE)

<http://oig.hhs.gov/fraud/exclusions.asp>

GSA Database of Excluded Individuals/Entities

<https://www.epls.gov/>

Report FWA

You are required to report potential FWA. CHPW encourages you to use our *Request for an Investigation* form available at <http://www.chpw.org/privacy/protecting-yourself-from-fraud-and-theft/>

Forms can be sent to the Compliance Officer by fax, email or mail:

Community Health Plan of Washington

Attn: Compliance Officer

720 Olive Way, Suite 370

Seattle, WA 98101

Fax : 206-652-7017

Email: compliance.officer@chpw.org

CHPW prohibits retaliation against reports made in good faith.

Report FWA cont'd

You can report anonymously by:

- Contacting CHPW's Customer Service team at 1-800-440-1561 and completing a form over the phone
- Emailing a completed form to the Compliance Officer (compliance.officer@chpw.org) from a proxy email address.
- Faxing the form to the Compliance Officer at 206-652-7017
- Mailing your completed form to:

Community Health Plan of Washington
Attn: Compliance Officer
720 Olive Way, Suite 370
Seattle, WA 98101

Report FWA to Agencies



Federal:

Office of the Inspector General

- Website: <http://oig.hhs.gov/fraud/hotline/>
- Phone: 1-800-HHS-TIPS (1-800-447-8477)
- TTY: 1-800-377-4950
- E-mail: HHSTips@oig.hhs.gov

Callers are encouraged to provide information on how they can be contacted for additional information, but they may remain anonymous if they choose.

Report FWA to Agencies



State:

Washington State DSHS Office of Fraud & Accountability (Welfare only)

- Website: <https://fortress.wa.gov/dshs/dshsroot/fraud/index.asp>
- Phone: 1-800-562-6906
- Fax: 360-664-0032
- Mail: DSHS Welfare Fraud
P.O. Box 45817
Olympia, Washington 98504-5817

Callers are encouraged to provide information on how they can be contacted for additional information, but they may remain anonymous if they choose.

CHPW Compliance Officer

For questions, comments, or additional information please contact your Provider Relations Representative or the CHPW Compliance Officer at:

Community Health Plan of Washington

Attn: Compliance Officer

720 Olive Way, Suite 300

Seattle, WA 98101

206-521-8833 Main number

1-800-440-1561 Toll free

TTY at 1-866-816-2470 Toll free

Compliance.officer@chpw.org



Resources

CHPW maintains the following FWA-related policies and procedures and makes them available on its website at <http://www.chpw.org/privacy/rights-privacy-policies-procedures>:

- Fraud, Waste and Abuse Policy and Procedure (CO289, CO290)
- Fraud and Provider Payment Suspension Procedure (CO339)
- Identity Theft Prevention (Red Flags of Identity Theft) Policy and Procedure (CO302, CO303)
- False Claims and Whistleblower Protections Policy (CO310)

Resources



Provider Manual

<http://www.chpw.org/for-providers/provider-manual/>

Provider Training

<http://www.chpw.org/for-providers/provider-training/>

CHPW Fraud Prevention Resource

<http://www.chpw.org/privacy/protecting-yourself-from-fraud-and-theft/>

Office of the Inspector General

<http://www.oig.hhs.gov/fraud.asp>

Code of the Federal Regulations (see 42 CFR 422.503, 423.504)

<http://www.gpoaccess.gov/CFR/>

CMS Prescription Drug Benefit Manual

http://www.cms.hhs.gov/PrescriptionDrugCovContra/12_PartDManuals.asp

Disclaimer

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