Fraud, Waste and Abuse (FWA)

Connie Mendez, LCSW
Compliance Manager
OptumHealth, SLCo

What is Fraud, Waste and Abuse (FWA)?

Fraud

Intentional misrepresentation to gain a benefit

Waste

Any unnecessary consumption of health care resources

Abuse

Unsound business practice that results in undue remuneration

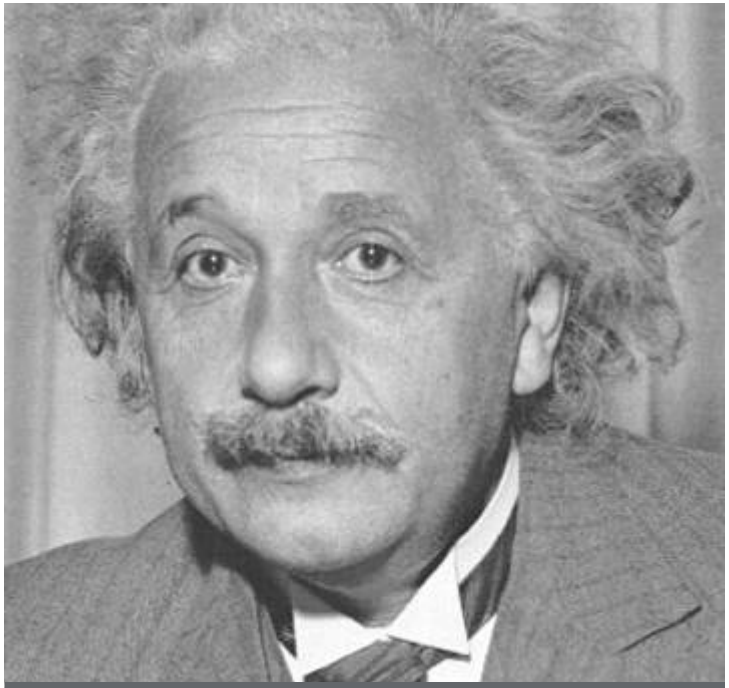
- U.S. health care spending growth decelerated in 2009, increasing 4.0% compared to 4.7% in 2008. Total health expenditures reached $2.5 trillion*, which translates to $8,086 per person or 17.6% of the nation's GDP, up from 16.6% in 2008.*

- Conservatively it is estimated that 3% to 10% of all health care dollars are spent on Fraud, Waste or Abuse annually according to the National Health Care Anti-Fraud Association (NHCAA). Which correlates to between 70B and 250B annually.

* NHE cited by https://cms.gov/NationalHealthExpendData/downloads/tables.pdf

What's driving FWA initiatives

- State and national hot button
- Full partnership and collaboration with state and federal partners
- OHBS commitment
- Enhancing our pre-payment intervention
- Strengthening post-payment detection
- Investigations and retro-recovery
- Corrective action



"We can't solve problems by using the same kind of thinking we used when we created them."

Albert Einstein

Where do leads come from?

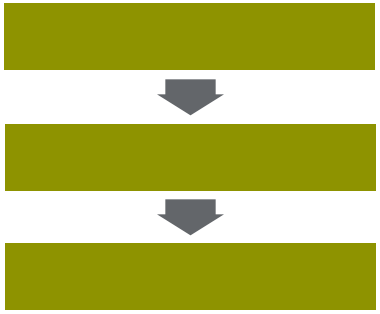
Phone

Email

Mail

Data mining

Internal process review



Audits

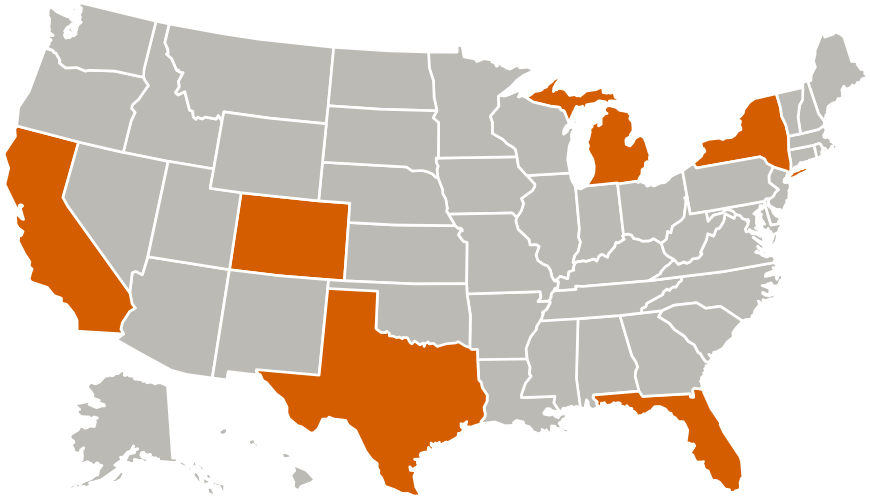
Who done it?

- Consumers
- Family members of consumers
- Providers
- Independent physician associations
- Billing companies
- Pharmaceutical companies
- Sales agents
- Organized crime
- Health plans
- International interests
- Opportunists

"Fraud is committed by health care providers, owners of medical facilities and laboratories, suppliers of medical equipment, organized crime groups, corporations, and even sometimes by the beneficiaries themselves."

Federal Bureau of Investigation (FBI)

Where is FWA Generally Most Prevalent?



Source: http://www.fbi.gov/news/stories/2010/june/health-care-fraud/health-care-trends

Pop quiz

Health care Fraud, Waste and Abuse may be attributed to approximately __% of the nation's gross domestic product.

A. 0.1%

B. 1%

C. 10%

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National health care expenditure (NHE) is $2.5 trillion annually[1]. Using 5%[2] estimated Fraud, Waste or Abuse (EFWA), our country's estimated FWA is $125 billion per year.

$$\frac{\$125 \text{ billion (EFWA)}}{\$2.5 \text{ trillion (NHE)}} = 0.9\% \text{ of GDP}$$

1 NHE cited by https://cms.gov/NationalHealthExpendData/downloads/tables.pdf

2 The National Health Care Anti-Fraud Association (NHCAA) estimates ***conservatively*** that 3% to 10% of all health care spending is fraud, waste or abuse (FWA).

22 Common behavioral health-specific FWA allegations

1. Up-coding
2. Unbundling
3. Misuse of modifiers
4. Two-tier billing
5. Services not rendered
6. Excessive units/visits
7. Multiple family members on one day
8. Billing under another provider's ID number/TIN/NPI
9. Over utilization and medical necessity
10. Billing HCPCS units against CPT codes
11. Non-licensed professionals providing services
12. Inpatient fraud
13. Billing for member cancellations and no-shows
14. Falsifying clinical notes/forgery
15. Billing for excessive numbers of patients in one day
16. Billing beyond benefit limits
17. Balance billing
18. Office associates defrauding the provider
19. Theft of ID/services
20. Pharmacy/doctor shopping
21. Member kickback
22. Member reimbursement

Up-coding example

Physician consistently bills for CPT 90807 (individual psychotherapy, ~45 to 50 minutes, with medical evaluation and management services), when in actuality, the physician normally spends 20–25 minutes with his patients.

The proper code in the example above (a visit that includes therapy and medication management) is 90805 (individual psychotherapy, ~20 to 30 minutes with medical evaluation and management services).

By selecting the 90807, the physician has ‘up’-coded the service and gains a higher reimbursement; this is an all too common issue.

- Fictional case study. For educational purposes only.

Pharmacy/doctor shopping (member fraud)

A member, Mr. Jones, goes to three separate psychiatrists.

To each, Mr. Jones reports he had a previous diagnosis of Attention Deficit/Hyperactivity Disorder (ADHD) and required Ritalin (a stimulant often sold on the streets).

He also reports symptoms of an anxiety disorder in an attempt to receive a prescription for a benzodiazepine, a sedative class that includes Valium, Xanax, Ativan, etc. (Benzodiazepines are highly addictive and are also frequently sold on the streets).

If this member gets his way, he might have three separate psychiatrists prescribe multiple medications of the same type.

- Fictional case study. For educational purposes only.

Our Commitment

We will **expand and enhance** our current Fraud, Waste and Abuse (FWA) program by:

- bolstering our expertise
- leveraging cutting-edge technology
- fostering robust partnerships

to create industry leading anti-FWA practices for each component of our program.

Our Mission

- To protect our consumers, providers, business partners, employees and stakeholders by administering a strong and effective anti-Fraud, Waste and Abuse (FWA) program designed to prevent, detect, investigate and resolve incidents of potential FWA
- To address and correct known offenses, recovering lost funds, improving overall anti-FWA ability and partnering with state and federal agencies to pursue and prosecute violators to the fullest extent of the law

What is a Special Investigations Unit (SIU)?

- A dedicated group responsible for driving the anti-FWA program. This group consists of highly skilled and trained investigators, clinicians, data analysts and medical coding personnel.
- The OHBS SIU consists of three main investigative pathways:

Pre-payment analytics

- Analyze member, provider and claims data
- Identify trends, current/ upcoming schemes or unusual behavior
- Stop fraudulent claims from being paid

Post-payment analytics

- Analyze member, provider and claims data
- Identify trends, schemes or unusual behavior, then investigate
- Work with state and federal agencies to stop fraud, waste and abuse consistently across the industry

Intelligence

- Anonymous TIP line
- Email
- PO box
- Internal and external training
- State of the art detection systems and processes
- Information sharing

Example Flag That Triggers SIU Intervention; Up-Coding

- Peer profiling anomalies
  - Unusually high usage of higher intensity CPT or HCPCS codes
    - A couple examples specific to code range 90804-90809
      - An extreme example would be billing 100% 90809s; notice the norm in this example is .05% on the curve, thus 100% would be 99.5% outside the norm
      - A more subtle example would be billing 60% 90807s and 40% 90806s; although not as extreme this would clearly be outside the norm as in this example 90807s are billed 3.4% of the time

Example Fictitious Bell Curve 2008-2010						
CPT Code	90804	90805	90806	90807	90808	90809	90862
Times Billed	583	14672	98690	4171	453	61	4717
% Breakdown	0.5%	11.9%	80.0%	3.4%	0.4%	0.05%	3.8%

Potential Overutilization Example

CPT code 90801, *Psychiatric diagnostic interview examination:*

- Please refer to the most current CPT description; This procedure is described as the elicitation of a complete history, establishment of tentative diagnosis, and an evaluation of the patient's ability and willingness to work to solve the patient's mental problem. Generally billed once per year, per provider, unless a new condition arises.

Member ID	90801	Norm PMPY	Variance
Larry	40	1.23	38.77
Mo	6	1.23	4.77
Curly	5	1.23	3.77

Overutilization or Services Not Rendered?

- In this example a 90801 Psychiatric diagnostic interview examination being billed for every visit even though the 90801 should only be used for an initial assessment.

|										23 PRIOR AUTHO	
5				6							
7				8							
21A REMARKS: OTHER INSURANCE = FALSE. PROVIDER LICENSE = PHD.											
24 A		B	C	D		E	F	G	GG	H	
DATES OF SERVICE		PLC/	TYPE	CPT/	MOD	DIAG	$CHARGES	DAY/	ANESTHESIA	EMG	
FROM	TO	SV	/SV	HCPCS	1, 2, 3, 4	CODE		UNITS	TIME	IND	
010511	010511	11	09	90801		1	175.00	0001	0000	N	
010111	010111	11	09	90801		1	175.00	0001	0000	N	
011211	011211	11	09	90801		1	175.00	0001	0000	N	
011311	011311	11	09	90801		1	175.00	0001	0000	N	
011911	011911	11	09	90801		1	175.00	0001	0000	N	
012111	012111	11	09	90801		1	175.00	0001	0000	N	
012611	012611	11	09	90801		1	175.00	0001	0000	N	
012711	012711	11	09	90801		1	175.00	0001	0000	N	
020211	020211	11	09	90801		1	175.00	0001	0000	N	
020311	020311	11	09	90801		1	175.00	0001	0000	N	
020911	020911	11	09	90801		1	175.00	0001	0000	N	
021011	021011	11	09	90801		1	175.00	0001	0000	N	
021511	021511	11	09	90801		1	175.00	0001	0000	N	
021711	021711	11	09	90801		1	175.00	0001	0000	N	
022311	022311	11	09	90801		1	175.00	0001	0000	N	
022411	022411	11	09	90801		1	175.00	0001	0000	N	
030211	030211	11	09	90801		1	175.00	0001	0000	N	
030311	030311	11	09	90801		1	175.00	0001	0000	N	
030911	030911	11	09	90801		1	175.00	0001	0000	N	
031011	031011	11	09	90801		1	175.00	0001	0000	N	
031611	031611	11	09	90801		1	175.00	0001	0000	N	
031711	031711	11	09	90801		1	175.00	0001	0000	N	
032311	032311	11	09	90801		1	175.00	0001	0000	N	
032411	032411	11	09	90801		1	175.00	0001	0000	N	
033011	033011	11	09	90801		1	175.00	0001	0000	N	
033111	033111	11	09	90801		1	175.00	0001	0000	N	
040611	040611	11	09	90801		1	175.00	0001	0000	N	
040911	040911	11	09	90801		1	175.00	0001	0000	N	
041311	041311	11	09	90801		1	175.00	0001	0000	N	
041411	041411	11	09	90801		1	175.00	0001	0000	N	
042011	042011	11	09	90801		1	175.00	0001	0000	N	
042111	042111	11	09	90801		1	175.00	0001	0000	N	
042711	042711	11	09	90801		1	175.00	0001	0000	N	
042811	042811	11	09	90801		1	175.00	0001	0000	N	
25 FEDERAL TAX ID#		SSN/EIN		26 PATIENTS ACCOUNT#			27 PROV ACCPTS ASGNMT		28 TOT CHARGE		
		EIN							5950.00		

Excessive Charges

This is an example of an out of network facility provider submitting a bill with a daily room and board charge of $18,000.00

Total charge for 17 days:

$316,723.60

TYPE BILL: HOSPITAL/IP MED PTA/ADM-DSCH CL	CD: 111	MOST COMM SEMIPVT RATE:				
LINE #	REV CODE	RATE/ DATE	DESCRIPTION	DAYS/ UNITS	CHARGE	HIC PIC
001	0124	8000.00	PSYCH/2BED	17	306000.00	
002	0250		PHARMACY	80	1023.55	
003	0251		DRUGS/GENERIC	25	108.25	
004	0252		DRUGS/NONGENERIC	2	18.20	
005	0301		LAB/CHEMISTRY	6	1691.55	
006	0302		LAB/IMMUNOLOGY	1	80.85	
007	0305		LAB/HEMOTOLOGY	2	668.10	
008	0307		LAB/UROLOGY	2	195.35	
009	0324		DX X-RAY/CHEST	1	387.15	
010	0480		CARDIOLOGY	1	4993.75	
011	0636	10/11	DRUGS REQUIRING DETAILED CODING	1	29.85	J2060
012	0730		EKG/ECG	3	1527.00	

MOD CODE	DESCRIPTION

AMT PAT PAID:	EST AMT DUE:	TOT CHARGE:
0.00	0.00	316723.60

TREATMENT AUTH NOS:

STATMNT COV PER FROM: 10/11/11 THRU: 10/28/11

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OHBS FWA Definitions

- **Suspicion:** A level of suspicion is reached when potential fraud, waste, and abuse allegations cannot be ruled out by due diligence, data analysis and other preliminary investigative activities.

- **Confirmation:** A level of confirmation is reached when fraud, waste, and abuse allegations have been substantiated during or at the conclusion of an SIU investigation.

Potential actions following audits

All actions are reported to state and federal agencies

Education and/or corrective action plans

- Clarity on issue with guidance on how to correct, *and/or*
- Formal plan to resolve and monitor moving forward

Request for overpayment, education and/or corrective action

- Recovery of identified overpayment, *and*
- Clarity on issue with guidance on how to correct, *and/or*
- Formal plan to resolve and monitor moving forward

Network termination

- Termination for cause, termination for no cause, *and/or*
- Reporting to National Practitioners Data Base (NPDB), state boards

Civil and/or criminal action

- Health plan civil action does not preclude state/federal criminal enforcement
- Expansive laws and enforcement options: civil monetary penalties, false claims, mail and/or wire fraud, anti-kickback, STARK, program exclusion, loss of license

Salt Lake County Requirements

. Duty to Report Potential Medicaid Fraud

a. The CONTRACTOR will refer in writing to the COUNTY any detected incidents of potential Medicaid fraud or abuse, or any questionable practices.

The CONTRACTOR will submit the written referral report to the COUNTY within 8 calendar days of detection of incidents of potential fraud or abuse, o identification of any questionable practices.

. The CONTRACTOR will include in the report:

1) name, and identification number if applicable;

2) source of complaint (if anonymous, indicate as such);

3) type of Subcontractor or type of staff position (e.g., Licensed Clinical Social Worker, billing clerk, etc.);
4) nature of complaint; and

5) approximate dollars involved, if applicable.

(See Section B 1, Administrative and Reporting Requirements, B 7.)

Utah Code

- Duty to report potential Medicaid fraud to the office or fraud unit.
  - **63J-4a-501. Duty to report potential Medicaid fraud to the office or fraud unit.**

    (1) A health care professional, a provider, or a state or local government official or employee who becomes aware of fraud, waste, or abuse shall report the fraud, waste, or abuse to the office or the fraud unit.

    (2) A person who makes a report under Subsection (1) may request that the person's name not be released in connection with the investigation.

    (3) If a request is made under Subsection (2), the person's identity may not be released to any person or entity other than the office, the fraud unit, or law enforcement, unless a court of competent jurisdiction orders that the person's identity be released.

To Report to Salt Lake County:

- Contact Persons: Tim Whalen, Director
  Brian Currie, Mental Health Quality Assurance

Address: Salt Lake County Division of Behavioral Health Services
2001 South State Street, S2300
Salt Lake City, UT 841090-2250

Phone: 801.468.2009
Fax: 801.468-2006

To Report Suspected FWA, contact the following:

OptumHealth SLCo:

Telephone: 877-370-8953

E-Mail: connie.mendez@optum.com

Mail: Compliance Manager
2525 Lake Park Blvd
West Valley, UT 84130-0535

Fax: 248-733-6379

Utah Medicaid Program Integrity:

Web-site:
http://health.utah.gov/mpi/reportfraud.html

Telephone: 1-855-403-7283

E-Mail: mpi@utah.gov

Thank You