

# Fraud, Waste and Abuse

A Presentation for Network Providers



Presented by: AmeriHealth Caritas Pennsylvania and AmeriHealth Caritas Northeast

All images are used under license for illustrative purposes only. Any individual depicted is a model.



# Presentation Topics

TOPICS	SLIDES
Our Pledge	1
The Law	4-8
Definitions	9-12
Waste and Recovery	14-18
Recipient Fraud	19-25
Provider Fraud	26-28
Employee Screening Requirements	29-32
Reporting Fraud	33-36
Resources	37-38

# Our Pledge

AmeriHealth Caritas Pennsylvania and AmeriHealth Caritas Northeast (referred to hereafter collectively as “the Plan”) are dedicated to reducing and possibly eliminating incidences of fraud, waste and abuse from its programs and cooperates in fraud, waste and abuse investigations conducted by state and/or federal agencies, including:

- The Medicaid Fund Control Unit of the Pennsylvania Attorney General's Office.
- The Federal Bureau of Investigation.
- The Drug Enforcement Administration.
- The HHS Office of Inspector General.
- Bureau of Program Integrity of DHS.
- Governor’s Office of the Budget.
- The Pennsylvania State Inspector General.
- CMS.
- The United States Attorney’s Office/ Justice Department

AmeriHealth Caritas has its own Special Investigations Unit (SIU) within the Program Integrity Division.

It is the policy of Program Integrity - SIU

- To review and investigate all allegations of fraud, waste and abuse
- To take corrective actions for any supported allegations after a thorough investigation; and
- To report confirmed misconduct to the appropriate parties and/or agencies.

# THE LAW



  
**AmeriHealth Caritas**  
Pennsylvania

  
**AmeriHealth Caritas**  
Northeast

Under the HealthChoices program, the Plan receives state and federal funding for payment of services provided to our Members.

In accepting Claims payment from the Plan, Health Care Providers are receiving state and federal program funds, and are therefore subject to all applicable federal and/or state laws and regulations relating to this program. Violations of these laws and regulations may be considered fraud, waste or abuse against the Medical Assistance program.

# False Claims Act (FCA)

The False Claims Act (FCA) is a federal law that prohibits knowingly presenting (or causing to be presented) a false or fraudulent claim to the federal government or its contactors, including state Medicaid agencies, for payment or approval.

The FCA also prohibits knowingly making or using (or causing to be made or used) a false record or statement to get a false or fraudulent claim paid or approved.

The Plan must certify that claims data presented to the government for payment is accurate to the best of its knowledge.

# False Claims Act (FCA)

The FCA encourages whistleblowers to come forward by providing protection from retaliation. Penalties for violating the FCA could include a minimum \$5,500 to \$11,000 fine per false claim, imprisonment, or both, and possible exclusion from federal government health care programs.



# The Fraud Enforcement and Recovery Act of 2009 (FERA)

Passed by Congress to enhance the criminal enforcement of federal fraud laws, including the False Claims Act (FCA).

Penalties for violations of FERA are comparable to penalties for violation of the FCA. FERA does the following:

- Expands potential liability under the FCA for government contractors .
- Expands the definition of false/fraudulent claim to include claims presented not only to the government itself, but also to a government contractor.
- Expands the definition of false record to include any record that is material to a false/fraudulent claim.
- Expands whistleblower protections to include contractors and agents who claim they were retaliated against for reporting potential fraud violations.

# DEFINITIONS



  
**AmeriHealth Caritas**  
Pennsylvania

  
**AmeriHealth Caritas**  
Northeast

# What is Fraud?

**Fraud** — Any type of intentional deception or misrepresentation made by an entity or person with the knowledge that the deception could result in some unauthorized benefit to the entity, him/herself, or some other person in a managed care setting. The Fraud can be committed by many entities, including the physical health managed care organization (PH-MCO), a subcontractor, a provider, a state employee, or a member, among others. It includes any act that constitutes fraud under applicable federal or state law.

# What is Waste?

**Waste** — The overutilization of services or other practices that result in unnecessary costs. Generally not considered caused by criminally negligent actions, but rather misuse of resources.

# What is Abuse?

**Abuse** — Any practices that are inconsistent with sound fiscal, business, or medical practices, and result in unnecessary costs to the MA Program, or in reimbursement for services that are not Medically Necessary or that fail to meet professionally recognized standards or agreement obligations (including the RFP, Agreement, and the requirements of state or federal regulations) for health care in a managed care setting. The Abuse can be committed by the physical health managed care organization (PH-MCO), Subcontractor, Provider, State employee, or a Member, among others. Abuse also includes Member practices that result in unnecessary cost to the MA Program, the PH-MCO, a Subcontractor, or Provider.

# WASTE AND RECOVERY



## Some examples of Waste include:

- Overpayment due to incorrect set-up or update of contract/fee schedules in the system.
- Overpayments due to claims paid based upon conflicting authorizations or duplicate payments.
- Overpayments resulting from incorrect revenue/procedure codes, retro TPL/Eligibility.

The Payment Integrity Department of AmeriHealth Caritas Pennsylvania and AmeriHealth Caritas Northeast is responsible for identifying and recovering claim overpayments. The Department performs several operational activities to ensure the accuracy of providers' billing submissions. The Department utilizes internal and external resources to prevent the payment of claims associated with waste and to initiate recovery when overpaid claims are identified.



As a result of these claims accuracy efforts, providers may receive letters from the Plan, or on behalf of the Plan, regarding recovery of potential overpayments and/or requesting medical records for review. Any questions should be referred to the contact information provided in the letter to expedite a response to questions or concerns.

# Returning Improper or Over Payments for Medical Providers

## Contact

AmeriHealth Caritas Pennsylvania's Provider Services Department at **1-800-521-6007**

or

AmeriHealth Caritas Northeast's Provider Services Department at **1-888-208-7370**

to arrange the repayment.

There are two ways to return overpayments to the Plan:

1. Have the Plan deduct the overpayment/improper payment amount from future claims payments,
2. Return the overpayments directly to the plan via:
  - Use the Provider Claim Refund form available on the Provider Center at [www.amerihealthcaritaspa.com](http://www.amerihealthcaritaspa.com) or [www.amerihealthcaritasnortheast.com](http://www.amerihealthcaritasnortheast.com) under Forms.
  - Mail the completed form and refund check for the overpayment/improper payment amount to:

Claims Repayment Research Unit

AmeriHealth Caritas Pennsylvania/AmeriHealth Caritas Northeast

PO Box 7118

London, KY 40742

# Returning Improper or Over Payments for Dental Providers

Contact Dental Provider Services at **1-855-434-9241**.

To return dental overpayments to the Plan, please contact your dental Account Executive.

Dental Account Executive contact information may be found on our websites at [www.amerihealthcaritaspa.com](http://www.amerihealthcaritaspa.com) or [www.amerihealthcaritasnortheast.com](http://www.amerihealthcaritasnortheast.com) → Providers → Communications → Account executives.

Providers may also follow the “*Pennsylvania Medical Assistance (MA) Provider Self-audit Protocol*” to return improper payments or overpayments. Access the DHS voluntary protocol process via the following web address:

<http://www.DHS.pa.gov/learnaboutDHS/fraudandabuse/medicalassistanceproviderselfauditprotocol/>

# RECIPIENT FRAUD



# Defining Recipient Fraud

Someone who receives cash assistance, Supplemental Nutritional Assistance Program (SNAP) benefits, Heating/Energy Assistance (LIHEAP), child care, **medical assistance**, or other public benefits AND that person is not reporting income, not reporting ownership of resources or property, not reporting who lives in the household, allowing another person to use his or her ACCESS card, trafficking SNAP benefits or taking advantage of the system in any way.

Pennsylvania's Department of Human Services Bureau of Program Integrity and the Plan have established procedures for reviewing Member utilization of medical services. The review of services identifies Members receiving excessive or unnecessary treatment, diagnostic services, drugs, medical supplies, or other services.

# Recipient Fraud

A Member is subject for review if any of the following criteria are satisfied:

- Member gets prescriptions filled at more than 2 pharmacy locations within one month.
- Member has prescriptions written by more than 2 physicians per month.
- Member fills prescriptions for more than 3 controlled substances per month.
- Member obtains refills (especially on controlled substances) before recommended days' supply is exhausted.
- Duration of narcotic therapy is greater than 30 consecutive days without an appropriate diagnosis.
- Prescribed dose outside recommended therapeutic range.
- Same/Similar therapy prescribed by different prescribers.
- No match between therapeutic agent and specialty of prescriber .
- Fraudulent activities (forged/altered prescriptions or borrowed cards).
- Repetitive emergency room visits with little or no PCP intervention or follow-up.
- Same/Similar services or procedures in an outpatient setting within one year.



**Lock-In** — Recipients determined to be involved in fraudulent activities or identified as abusing services provided under the Medical Assistance Program who are restricted to a specific Provider(s) to obtain all of his or her services in an attempt to ensure appropriately managed care.

# Recipient Restriction

If the results of the review indicate waste, abuse or fraud, the Member will be placed on the Restricted Recipient Program, which means the Member(s) can be restricted to a single:

- PCP
- Pharmacy
- Hospital/facility

for a period of five (5) years.

Restriction to one Network Provider of a particular type will assist in coordination of care and provide for medical management.

# Recipient Restriction Referrals

The Plan receives referrals of suspected fraud, mis-utilization or abuse from a number of sources, including:

- Physician/pharmacy providers
- The Plan's Pharmacy Services Department
- Member/Provider Services
- Case Management/Care Coordination
- Special Care Unit
- Quality Assurance and Performance Improvement
- Medical Affairs
- Department of Human Services (DHS)

Network Providers who suspect Member fraud, waste or abuse of services can make a referral to the Recipient Restriction Program by calling the Plan's Fraud and Abuse Hotline at **1-866-833-9718**. All such referrals are reviewed for potential restriction.

# PROVIDER FRAUD



  
**AmeriHealth Caritas**  
Pennsylvania

  
**AmeriHealth Caritas**  
Northeast

# Examples of Provider Fraud:

- Billing for services not rendered or not Medically Necessary.
- Submitting false information to obtain authorization to furnish services or items to Medicaid recipients.
- Prescribing items or referring services which are not Medically Necessary.
- Misrepresenting the services rendered.
- Submitting a Claim for provider services on behalf of an individual that is unlicensed, or has been excluded from participation in the Medicare and Medicaid programs.
- Retaining Medicaid funds that were improperly paid.
- Billing Medicaid recipients for covered services.
- Failure to perform services required under a capitated contractual arrangement.
- Up-coding to more expensive service than was rendered; billing for more time or units of service than provided.

# EMPLOYEE SCREENING REQUIREMENTS



# Required Screening for Exclusion from Federal Programs

As required by the Department of Human Services' Office of Inspector General (HHS-OIG) 42 CFR Section 455.436 and outlined in the Pennsylvania Department of Human Services (DHS) Medical Assistance Bulletin 99-11-05, all providers who participate in Medicare, Medicaid or any other federal health care program are required to screen their employees and contractors, both individuals and entities, to determine if they have been excluded from participation in any of the aforementioned programs.

Employees should be screened for exclusion before employing and/or contracting with them and, if hired, should be rescreened on an ongoing monthly basis to capture exclusions and reinstatements that have occurred since the last search.

# Required Employee Screening for Exclusion from Federal Programs

Examples of individuals or entities that providers must screen for exclusion include, but are not limited to:

- Individual or entity who provides a service for which a claim is submitted to Medicaid;
- Individual or entity who causes a claim to be generated to Medicaid;
- Individual or entity whose income derives all, or in part, directly or indirectly, from Medicaid funds;
- Independent contractors if they are billing for Medicaid services;
- Referral sources, such as providers who send a Medicaid recipient to another provider for additional services or second opinion related to medical condition



# Required Employee Screening for Exclusion from Federal Programs

The Pennsylvania Department of Human Services and AmeriHealth Caritas Pennsylvania/AmeriHealth Caritas Northeast are prohibited from paying for any items or services furnished, ordered, or prescribed by individuals or entities excluded from the Medical Assistance (MA) Program as well as other federal health care programs.

# REPORTING FRAUD



# Reporting Fraud Waste and/or Abuse to the Plan

- **Telephone** the toll-free Ethics and Compliance Hotline at 1-866-833-9718;
- **E-mailing** to [fraudtip@amerihealthcaritas.com](mailto:fraudtip@amerihealthcaritas.com); or,
- **Mailing** a written statement to:  
AmeriHealth Caritas Pennsylvania/AmeriHealth Caritas Northeast  
Special Investigations Unit  
200 Stevens Drive  
Philadelphia, PA 19113

Reports may be made anonymously.

# Information that will Assist the Plan with an Investigation:

- Contact Information (e.g. name of individual making the allegation, address, telephone number);
- Name and Identification Number of the Suspected Individual;
- Source of the Complaint (including the type of item or service involved in the allegation);
- Approximate Dollars Involved (if known);
- Place of Service;
- Description of the Alleged Fraudulent or Abuse Activities;
- Timeframe of the Allegation(s).

# Reporting Fraud Waste and/or Abuse to the Commonwealth

**Phone:** 1-844-DHS-TIPS or 1-844-347-8477

**On-Line:** [www.dhs.pa.gov](http://www.dhs.pa.gov)

**Fax:** 1-717-772-4655, Attn: MA Provider Compliance Hotline

**Mail:** Bureau of Program Integrity  
MA Provider Compliance Hotline  
P.O. Box 2675  
Harrisburg, PA 17105-2675

# RESOURCES



  
**AmeriHealth Caritas**  
Pennsylvania

  
**AmeriHealth Caritas**  
Northeast

# Resources

Medical Assistance Manual-Provider Prohibited Acts:

[www.pacode.com/secure/data/055/partIIItoc.html](http://www.pacode.com/secure/data/055/partIIItoc.html) (see §1101.75)

See Pennsylvania Department of Human Services (DHS) Medical Assistance Bulletin 99-11-05 at

[www.DHS.pa.gov](http://www.DHS.pa.gov)

To search the List of Excluded Individuals/Entities (LEIE) database, please access:

<https://oig.hhs.gov/exclusions/index.asp>

The Pennsylvania Department of Human Services' Medichex List of Precluded Providers may be accessed here:

[http://www.dpw.state.pa.us/learnaboutdpw/fraudandabuse/medichexprecludedproviderslist/S\\_001152](http://www.dpw.state.pa.us/learnaboutdpw/fraudandabuse/medichexprecludedproviderslist/S_001152)

Access the Electronic Code of Federal Regulations (42 CFR §455.436 ) here:

[https://www.ecfr.gov/cgi-bin/text-idx?rgn=div6&node=42:4.0.1.1.13.5%20-%20se42.4.455\\_1436](https://www.ecfr.gov/cgi-bin/text-idx?rgn=div6&node=42:4.0.1.1.13.5%20-%20se42.4.455_1436)

The System for Award Management (SAM) is an official website of the U.S. government.

Search for entity registration and exclusion records

<https://www.sam.gov/portal/SAM/#1>

*We help people:*  
Get care  
Stay well  
Build healthy communities

*We have a special concern for those who are  
poor.*



## **Our Values**

Advocacy • Care of the Poor • Compassion • Dignity • Diversity • Hospitality • Stewardship