Fraud, Waste, Abuse and Error

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Fraud, Waste, Abuse and Error: Idaho Education 2017

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A Bit of CMS History



The **Centers for Medicare & Medicaid Services** (CMS) is committed to combating provider fraud, waste, and abuse which diverts dollars that could otherwise be spent to safeguard the health and welfare of Medicaid recipients.



In February 2006, the Deficit Reduction Act of 2005 was signed into law and created the **Medicaid Integrity Program** (MIP) under section 1936 of the Social Security Act. This is the first comprehensive Federal strategy to prevent/reduce provider fraud, waste, and abuse.

CMS has two broad responsibilities under the MIP:

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- 1. To hire contractors to review Medicaid provider activities, audit claims, identify overpayments, and educate providers on Medicaid program integrity issues
- 2. To provide effective support and assistance to States in their efforts to combat Medicaid provider fraud and abuse



FWAE Refresher

Fraud

Example:

Knowingly billing for a service that was never performed.

Waste

Example:

Billing for services 5X per week when 1X per week could have been appropriate.

Abuse

Example:

Billing for a 90792 (diagnostic evaluation) when individual therapy was performed.

Error

Example:

A billing representative transposes numbers on a claim and submits it.



Optum Program & Network Integrity (PNI) Team



Mission

to deliver service and support with confidence and compassion, making Optum the first choice for our internal partners, clients and customers.



Commitment

requires not only great capabilities, expertise and people but also a culture that helps us build relationships, to do the best work for the people we serve.



PNI Cultural Values at Work

Traditional Approach Special Investigations Unit (SIU)

To protect state, federal & other funds from FWAE by individuals or companies who provide services and to protect members from these abuses through the prevention, detection and investigation of FWAE.



Optum Approach: Program & Network Integrity (PNI)

To create a culture, internally & externally, where there are consistent incentives to provide better health outcomes within a context that avoids over- or under-utilization of services. It is everything SIU and much more!



The PNI Focus is to...

- carefully monitor/prevent overall network FWAE
- utilize investigators, clinicians, data analysts and medical coders
- appropriately and consistently evaluate potential FWAE suspicions
- support a robust Education Program that engages provider in changing outlier billing/coding behavior to accurately reflect services rendered
- tailor provider corrective actions to effectively stop/change the outlier behavior



PNI FWAE Activities

There are two investigative pathways:

- Anonymous TIP line:e-mail / P.O. Box
- Data Analytics

Intelligence

- Internal and External networking / training
- Data Mining

Prospective

- Pre-Payment
- Analyze member, provider and claims data
- Identify trends, current/ upcoming schemes or unusual behavior
- Manage Flagging

2 Retrospective

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



What Auditors are Looking For...

- Inconsistent coding patterns within a group practice
- Coding at high levels for Evaluation and Management Services
- Services not Rendered due to no record submitted
- Unbundling of procedures and services
- Diagnosis concerns/does Diagnosis make sense to documentation studied
- Inadequate Documentation-missing pages, no member name on every page submitted, dates of service are missing or appear altered
- Misrepresentation of rendering provider-different provider then billing provider
- Misrepresentation of non-covered services as covered
- Double billing
- Improper use of modifiers



Industry Standards and Regulatory Guidance

Books that are utilized for audit

CPT-Current Procedural Terminology

HPCPS-HealthCare Common Procedure Coding System

ICD-10- International Classification of Diseases

Other Resources

1995 & 1997 Documentation Standards

Medicaid and Medicare Guidelines and Provider Manuals for State research

Internal Coverage Guidelines/Policies and Procedures

Optum Network Manual

Internet research for code

Intention (only citing appropriate respected resources)



PNI Contact Information: Tips and Communication

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Questions?



Thank you.

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