



## Fraud, Waste & Abuse: Provider Training



### Important Notice

This training module consists of two parts:

1. Medicare Parts C & D Fraud, Waste, and Abuse (FWA) Training
2. Your role in the fight against FWA

*All persons who provide health or administrative services to Medicare enrollees must satisfy general compliance and FWA training requirements. This module may be used to satisfy both requirements.*



## FWA Training Exception: NOTICE

There is one exception to the FWA training and education requirement. First-tier, Downstream and Related Entities (FDR) will have met the FWA training and education requirements if they have met the FWA certification requirement through:

1. Accreditation as a supplier of Durable Medical Equipment, Prosthetics, Orthotics, and Supplies; or
2. Enrollment in Medicare Part A (hospital) or B (medical) Program

**NOTE:** If you are unsure if this “deeming” exception applies, please contact your sponsor for more information



## Objectives

- Recognize FWA in the Medicare Program
- Identify the major laws and regulations pertaining to FWA
- Recognize potential consequences and penalties associated with violations
- Identify methods for preventing FWA
- Identify how to report FWA
- Recognize how to correct FWA



## Why Do I Need Training?



Every year, millions of dollars are improperly spent because of FWA. It affects everyone.

**Including YOU!**

This training will help detect, correct, and prevent fraud, waste, and abuse.

**YOU are part of the solution!**



## Part One: What is FWA?



## What is FWA?

Click on each box to learn more!

Fraud

Waste

Abuse

***Fraud*** is knowingly and willfully executing, or attempting to execute, a scheme or article to defraud any health care benefit program, or to obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody of, any health care benefit program.

**Note:** The Health Care Fraud Statute makes it a criminal offense to knowingly and willfully execute a scheme to defraud a health care benefit program. Health care fraud is punishable by imprisonment for up to 10 years. It is also subject to criminal fines of up to \$250,000.

## What is FWA?

Click on each box to learn more!

Fraud

Waste

Abuse

***Waste*** includes overusing services, or other practices that, directly or indirectly, result in unnecessary costs to the Medicare program. ***Waste*** is generally NOT considered to be caused by criminally negligent actions, but rather by the misuse of resources.

## What is FWA?

Click on each box to learn more!

Fraud

Waste

Abuse

**Abuse** includes actions that may, directly or indirectly, result in unnecessary costs to the Medicare program. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment.

## Examples of Fraud

Knowingly billing for services not furnished or supplies not provided, including billing Medicare for appointments that the patient failed to keep

Billing for non-existent prescriptions

Knowingly altering claim forms, medical records, or receipts to receive higher payment

## Examples of Waste

Conducting excessive office visits or writing excessive prescriptions

Prescribing more medications than necessary for the treatment of a specific condition

Ordering excessive laboratory tests



## Examples of Abuse

Billing for unnecessary medical services

Billing for brand name drugs when generics are dispensed

Charging excessively for services or supplies

Misusing codes on a claim, such as upcoding or unbundling codes



## FWA and the Law

To detect FWA, YOU need to know the law!

Click on each law to learn more!

Civil False  
Claims Act

Health Care  
Fraud Statute

Criminal Fraud

Anti-Kickback  
Statute

Stark Statute  
(Physician Self-Referral Law)

Health Insurance  
Portability &  
Accountability Act  
(HIPAA)

Exclusion

Civil Monetary Penalties Law

## Civil False Claims Act (FCA)

The civil provisions of the FCA make a person liable to pay damages to the Government if he or she knowingly:

- Conspires to violate the FCA
- Carries out other acts to obtain property from the government by misrepresentation
- Knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay the government
- Makes or uses a false record or statement supporting a false claim
- Presents a false claim for payment or approval

**Whistleblowers:** A whistleblower is a person who exposes information or activity that is deemed illegal, dishonest, or violates professional or clinical standards.

**Protected:** Person(s) who report false claims or bring legal actions to recover money paid on false claims are protected from retaliation.

**Rewarded:** Person(s) who bring a successful whistleblower lawsuit receive at least 15%, but not more than 30% of the money collected.

## Health Care Fraud Statute

The Health Care Fraud Statute states that “Whoever knowingly and willfully executes, or attempts to execute, a scheme to defraud any health care benefit program shall be fined or imprisoned not more than ten years, or both.”

**Note:** Conviction under the statute does not require proof that the violator had knowledge of the law or specific intent to violate the law.

## Criminal Fraud

If convicted, the individual shall be fined, imprisoned, or both. If the violations resulted in death, the individual may be imprisoned for any term of years or for life, or both.



## Anti-Kickback Statute

**Prohibits:** Knowingly and willfully soliciting, receiving, offering, or paying remuneration (including any kickback, bribe or rebate) for referrals for services that are paid in whole or in part under a Federal healthcare program (including the Medicare program).

**Penalties:** Fine of up to \$25,000, imprisonment up to five years or both fine and imprisonment.

## Stark Statute (Physician Self-Referral Law)

**Prohibits:** Physicians from making a referral for certain health services to an entity in which the physician (or a member of his/her family) has an ownership/investment interest or with which he or she has a compensation arrangements (exceptions apply).

**Penalties:** Fine of up to \$15,000 for each service that was provided. Or; up to a \$100,000 fine for entering into an arrangement or scheme.

## HIPAA

### Health Insurance Portability and Accountability Act of 1996

HIPAA created greater access to healthcare insurance, protection of privacy of healthcare data, and promoted standardization and efficiency in the health care industry.

Safeguards to prevent unauthorized access to protected healthcare information.

As an individual who has access to protected healthcare information, YOU are responsible for adhering to HIPAA.

## Exclusion

No Federal health care program payment may be made for any item or service furnished, ordered, or prescribed by an individual or entity excluded by the Office of Inspector General (OIG).

## Civil Monetary Penalties Law

The Office of Inspector General (OIG) may impose civil penalties for a number of reasons, including:

- Arranging for services or items from an excluded individual or entity
- Providing services or items while excluded
- Failing to grant OIG timely access to records
- Knowing of an overpayment and failing to report and return it
- Making false claims
- Paying to influence referrals

## What Are My Responsibilities?

YOU are a vital part of the effort to prevent, detect, and report Medicare non-compliance, as well as possible fraud, waste, and abuse.

- FIRST you are required to comply, according to applicable statutory, regulatory, and other Part C or Part D requirements, including adopting and implementing an effective compliance program
- SECOND you have a duty to the Medicare program to report any violations of laws that you may be aware of
- THIRD you have a duty to follow your organization's Code of Conduct, which articulates you and your organization's commitment to standards of conduct and ethical rules of behavior

## How Do I Prevent FWA?

- Conduct yourself in an ethical manner
- Ensure you coordinate with other payers
- Ensure data/billing is both accurate and timely
- Verify information provided to you
- Be on the lookout for suspicious activity
- Keep up-to-date with FWA policies and procedures, standards of conduct, laws, regulations, and the Centers for Medicare & Medicaid Services (CMS) guidelines



## Policies & Procedures

Every sponsor and first tier, downstream, or related entity (FDR) must have policies or procedures that address FWA. These procedures should help you detect, prevent, report, and correct FWA.

Make sure YOU are familiar with your entity's Policies & Procedures.



## Indicators

Now that you know about your role in preventing, reporting, and correcting FWA, let's review some key indicators to help you recognize the signs of someone committing FWA.



## Indicators

The following slides present issues that *may be* potential **fraud**, **waste**, or **abuse**. Each slide provides questions to ask yourself about different areas, depending on your role as an employee of a sponsor, pharmacy, or other entity involved in the delivery of Medicare Part C and D benefits to members.



## Key Indicators: Potential Beneficiary Issues

- Does the prescription, medical record, or laboratory test look altered or possibly forged?
- Does the beneficiary's medical history support the services requested?
- Have you filled numerous identical prescriptions for this beneficiary, possibly from different doctors?
- Is the person receiving the medical service the actual beneficiary (identity theft)?
- Is the prescription appropriate based on the beneficiary's other prescriptions?



## Key Indicators: Potential Provider Issues

- Are the provider's prescriptions appropriate for the member's health condition (medically necessary)?
- Does the provider bill the sponsor for services not provided?
- Does the provider write prescriptions for diverse drugs, or primarily for controlled substances?
- Is the provider performing medically unnecessary services for the member?
- Is the provider prescribing a higher quantity than medically necessary for the condition?
- Is the provider's diagnosis for the member supported in the medical record?



## Key Indicators: Potential Pharmacy Issues

- Are drugs being diverted (drugs meant for nursing homes, hospice, and other entities, being sent elsewhere)?
- Are the dispensed drugs expired, fake, diluted, or illegal?
- Are generic drugs provided when the prescription requires that brand drugs be dispensed?
- Are Pharmacy Benefit Managers being billed for prescriptions that are not filled or picked up?
- Are proper provisions made if the entire prescription cannot be filled?
- Do you see prescriptions being altered?



## Key Indicators: Potential Wholesalers Issues

- Is the wholesaler distributing fake, diluted, expired, or illegally imported drugs?
- Is the wholesaler diverting drugs meant for nursing homes, hospices, and Acquired Immune Deficiency Syndrome (AIDS) clinics and then marking up the prices and sending to other smaller wholesalers or pharmacies?



## Key Indicators: Potential Manufacturer Issues

- Does the manufacturer promote off-label drug usage?
- Does the manufacturer provide samples, knowing that the samples will be billed to a Federal health care program?



## Key Indicators: Potential Sponsor Issues

- Does the sponsor encourage/support inappropriate risk adjustment submissions?
- Does the sponsor offer cash inducements for beneficiaries to join the plan?
- Does the sponsor use unlicensed agents?
- Does the sponsor lead the beneficiary to believe that the cost of benefits is one price, only for the beneficiary to find out the actual cost is higher?





## Reporting FWA

Everyone must report suspected instances of FWA. Your sponsor's Code of Conduct should clearly state this obligation. Sponsors may not retaliate against you for making a good faith effort in reporting.

Do not be concerned about whether it is fraud, waste, or abuse. Just report any concerns to your compliance department or your sponsor's compliance department. Your sponsor's compliance department will investigate it and make the proper determination.

## It's All About the Details

If warranted, sponsors and FDRs must report potentially fraudulent conduct to government authorities, such as the Office of Inspector General, the Department of Justice, or CMS.

### When reporting FWA, you should include...

- Contact information for the source of the information, suspects, and witnesses
- Details of the alleged FWA
- Identification of the specific Medicare rules allegedly violated
- The suspect's history of compliance, education, training, and communication with your organization or other entities

## Correct FWA

Once fraud, waste, or abuse has been detected, it must be promptly corrected. Correcting the problem saves the government money and ensures you are in compliance with the Centers for Medicare & Medicaid Services requirements.

## Short Answer

Please enter your NPI number in the field below and click "Submit" button to continue.

## Short Answer



If you have a delegate name, please enter it in the field below and click "Submit" to continue.

Question 2 of 5

Submit

## Short Answer



Please enter your first and last name in the field below and click "Submit" to continue.

Question 3 of 5

Submit

## Short Answer



Please enter your location address in the field below and click "Submit" to continue.

Question 4 of 5

Submit

## Short Answer



Please enter your office telephone number in the field below and click "Submit" to continue.

Question 5 of 5

Submit

## Quiz Results



Post Results

Your results for this quiz have been calculated and are ready to be posted online. Click 'Send' to post results.

Enter Your Name:

Your Email ID:

Cancel Send >>

Meridian FWA training!

Update your training record.

When the dialog box opens, please enter your first name, last name and work email address.

Please exit when completed.

Contact Provider Services at 866-606-3700 with any questions about this course.

## Quiz Results



**You have completed your Meridian FWA training!**

Click the button below to update your training record.

When the dialog box opens, please enter your first name, last name and work email address.

Please exit when completed.

Contact Provider Services at 866-606-3700 with any questions about this course.