Senior Medicare Patrol: Fighting Medicare Fraud

Funded by the U.S. Department of Health & Human Services - Administration on Community Living / Administration on Aging
60 Minutes Video Clip
(click link below to view on You Tube)

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Who is Affected? All of Us!

Medicare and Medicaid Beneficiaries

• **How?**
  • Diminished quality of treatment
  • Less money for needed benefits

Taxpayers

• **How?**
  • Billions of tax dollars wasted
Senior Medicare Patrol: From Idea to National Program

Through Public Law 104–208 (est. 1997)

- Administration on Aging established 12 demonstration projects
  - To recruit and train retired professionals to detect and report potential error, fraud, and abuse
- There now are 54 SMP projects in all states, Washington DC, Puerto Rico, Guam, and the U.S. Virgin Islands.
3 Roles of SMPs

1. Disseminate SMP Fraud Prevention and Identification Information
2. Assist beneficiaries in resolving issues and complaints
3. Refer suspected cases of fraud, waste, and abuse to investigative entities
Purpose of this Module

- Prepare volunteers to recognize fraud
- Educate beneficiaries (Protect)
- Perform 1/1 counseling (Detect)
- Refer cases for investigation (Report)
Little Quiz

- How much does Medicare pay in claims every year?
  - _______________________________

- Which state is #1 in losses due to Medicare and Medicaid fraud and abuse?
  - _______________________________

- #2, #3, #4 states?

Source: Congressional Business Office (CBO) for 2012
Identity Theft is the Door to Medicare Fraud
- Compromised Beneficiaries
Identity Theft ...

The number on your Medicare card is your Social Security Number. This number is as important to thieves as a credit card.
Think of your Medicare card as your Health Care credit card

Guard your card!
1. Ambulance Services
2. Clinical Lab/Independent Physiology Labs
3. Durable Medical Equipment (DME) Suppliers
4. Home Health Agencies
5. Hospice Care
6. Hospital Services
7. Medicare Advantage / Managed Care Plans
8. Medicare Prescription Drug Plans
9. Mental Health Services
10. Nursing Facilities
11. Physician/Practitioner Services

Every Medicare Benefit can be a Potential Fraud Area
Fraud can be committed by any person or provider able to bill Medicare OR benefit from Medicare being billed

- Doctors and health care practitioners
- Suppliers of durable medical equipment (DME)
- Employees of physicians or suppliers
- Home Health Agencies, Hospice
- Beneficiaries
Some of OIG’s Most Wanted Fugitives

ETIENNE ALLONCE

ALFREDO BARCELO

PATRICIA CHISANGA

POUL THORSEN

http://oig.hhs.gov/fraud/fugitives/index.asp
Some Examples of Fraud

- Altering claim forms to obtain a higher payment amount – **UPCODING**
  - Example: A flu shot billed as a shingles shot

- Billing twice for the same service or item

- Billing separately for services that should be included in a single service fee – **UNBUNDLING**
  - Example: A comprehensive blood panel billed as individual tests

- Billing for services not rendered or supplies not provided
Beware of providers who advertise free services

- Capper case (reported by Ventura HICAP)

- Two beneficiaries, husband and wife, were visited at home by a stranger offering free medical services and equipment

- Stranger drove them to a clinic where they were asked for their Medicare numbers

- They were sent home with a box of Ensure

- Their Medicare Summary Notices showed claims for services not rendered however Medicare paid the provider

- SMP referred case to OIG for investigation in August 2013
Operated a Health and Beauty Clinic
Performed radiofrequency laser and liposuction
Stole Medicare numbers from patients
Obtained Medicare numbers from others via recruiters
Submitted fraudulent claims for:
  ◦ Revascularization
  ◦ Ablation of a bone tumor
  ◦ Placement of radiotherapy catheter in breast
Beneficiaries Are the Victims of Medicare Fraud

• Identity Theft – stolen Medicare/Medi-Cal numbers can lead to false claims

• Beneficiary’s Medicare file may be notated as a problem
  • Benefits may be stopped – Medicare number may be flagged as a “Compromised Number”

• DO NOT PAY

• Theft of SSN can lead to theft of banking information
It Happened to Her

- Someone used her Medicare number to submit fraudulent claims for a wheelchair
- Medicare paid the claims to the fraudster
- When she needed a wheelchair, Medicare denied her legitimate claim
• Phone scam case followed by a home visit from “Medicare”
• Senior in Sherman Oaks received a phone call on 10/23/2013 from a woman claiming to be from Medicare.
• The woman said she was ‘going to visit the senior at her home.”
• The next day, she was visited by a man named Richard who said he was from Medicare.
• He told the senior that a new state law requires her to enroll in a Medicare Advantage plan (HMO) and he was there to help her. The senior was afraid of losing access to her doctor so she gave him her Medicare number, Medi–Cal number and Part D plan information.
• Senior was enrolled in a health plan which raised her premium and she lost access to her doctors.
• SMP referred the case for investigation.
Stranger called her to verify her Medicare number
Promised her gloves for her arthritis
Drove her 300 miles for an ‘exam’
Had her ‘sign’ a form
Billed Medicare $1000 for tests
Telemarketing/Phone Scams

- Fraudster calls consumers early in the a.m.
- Sales pitch is done rapidly, usually with a foreign accent
- Deliberately confuses people into believing the caller represents Social Security or Medicare
- Promises a new Medicare card or medical card OR offers free medical alert equipment
- Purpose: To get their checking account and credit card information
Why DME?

- Until recently:
  - no professional licensing requirements
  - Suppliers could set up shop with very little investment
  - Huge potential for quick profit

Look For

- Unauthorized, unsolicited supplies sent to beneficiaries
- Doctors receive fax from supplier requesting authorization for supplies
- DME providers obtaining medical information illegally
DME supplier in Southern California

Gained access to skilled nursing facilities and board and care homes

95% of his submitted claims were for power wheelchairs

Many of the beneficiaries never received the equipment or did not need the equipment

Most of the Medicare numbers were provided by patient recruiters who received kickbacks
DMEPOS Aims to Slow Down DME Fraud

- Implemented in many counties in California
- Requires competitive bidding and lower prices from equipment suppliers
- Forces suppliers to have surety bonds and legitimate places of business
- Reduces the number of suppliers
- So fraudsters will move to ‘greener pastures’
The face of Home Health Fraud

- Social worker in Colorado
- Worked through several home health agencies
- Found opportunities to obtain more Medicare funds
- Did bookkeeping, cleaned cabinets, played cards
- Submitted claims for all of these activities to Medicare but coded as Medicare-covered services
Homeless Medicare beneficiary on Skid Row

Picked up at downtown Emergency Drop-in Center by fraudster

Transported to a local hospital with questionable diagnosis

Moved to Skilled Nursing Facility; promised 90 days of housing paid for by Medicare
Why Laboratory Services?

- Physicians do not see what is billed to Medicare
- Labs are not required to submit diagnosis information to support the need for the services

What to Look for:

- Medically unnecessary services billed
- Providers ‘strongly urging’ patients to go to a specific clinic
- Unbundling (e.g., one blood panel listed by individual test)
- Tests not ordered, but performed and billed
Why Hospice Care?

- End of life issues create extremely vulnerable situation
- Beneficiaries (and families) are usually unaware of items billed to Medicare

What to Look for:

- Beneficiaries who are not terminally ill enrolled in hospice
- Hospice agencies promising ‘all the oxygen you need’
- Beneficiaries who do not understand how hospice is covered
  - Confusion with MA plan members (regular Medicare pays for hospice under Part A)
Medicare Advantage (MA) Plans

Why MA Plans?

- Dramatic increase in the number of managed care plans
- They hire independent agents
- No statements sent to members (except EOBs for Part D plans)

Look For

- Insurance agent’s marketing violations
  - Agents switching to their plan without beneficiary consent or knowledge
- Cold calling (if no prior relationship)
- New: Medicare Summary Notices to be sent effective October 2014
Part D Prescription Drug Program began 2006
  ◦ $50+ billion dollar program

Most likely fraud cases:
  ◦ Kansas: 1000+ Rx for 2 patients
  ◦ Los Angeles: $8.4 million billed for pharmaceuticals – which is 9 times the national average

• Billing hundreds of Rx for a single beneficiary
• Dispensing less than the prescribed amount of pills
• Claims for brand name drugs but dispensing generics
• Large # of claims for refills, never requested
2013 CVS Caremark Corp. Fraud Investigation

- 2nd largest drug store chain in the United States
- Customers in California and other states have been surprised to find that CVS had renewed their prescriptions and billed their insurers without their consent
In-patient vs. outpatient status

Hospitals charge for significant amount of line items

Typically do not give you an itemized statement upon discharge

One hospital statement could involve tens of people generating a single patient’s bill

American Medical Association—“Nearly 20% of claims have errors”

ICD –9 Codes: approximately 15,000

ICD – 10 Codes: 68,000 new codes

- Implementation in 2014
Complexity = Confusion = Opportunity for Fraud

- Cal Medi-Connect
- Covered California
- Affordable Care Act
Your Medicare coverage is protected

Medicare isn’t part of the Health Insurance Marketplace established by ACA, so you don’t have to replace your Medicare coverage with Marketplace coverage.

No matter how you get Medicare, whether through Original Medicare or a Medicare Advantage Plan, you’ll still have the same benefits and security you have now.

You don’t need to do anything with the Marketplace during Open Enrollment.
The Affordable Care Act

- Adding ability for Department of Health & Human Services to disallow provider enrollment
- Implementing a ‘smart, automated system’ to proactively identify fraudulent claims
  - “Fraud Prevention System”
- Integrating Medicare and Medi-Cal
- Partnering with private insurers and Medicare Advantage Plans
- Increasing law enforcement – Office of Inspector General
Purpose of this Module

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Treat the Medicare card as your credit card

Don’t carry with you until you need it for visits to doctor, clinic or pharmacy

Never give your Medicare number to a stranger

Record doctor visits, tests and procedures in personal healthcare journal or calendar

Save MSNs and Part D Explanation of Benefits; shred when no longer needed

Remember: Medicare does not call or visit to sell anything
✓ Review MSNs and Part D Explanation of Benefits (EOB) for possible mistakes

✓ Access myMedicare.gov account

✓ Compare MSNs and EOBs to personal health care journal and prescription drug receipts to ensure they are correct

✓ Look on billing statement for:
  ▪ Charges for item or service not received
  ▪ Billing for same thing twice
  ▪ Services not ordered by doctor
Report

- Ask questions
- Seek assistance
- Use written records
- Contact SMP

- Collect Evidence
  - Marketing Flyers
  - Business Cards
  - MSNs
  - Narratives

- Call SMP toll free hot line
  855-613-7080