

Fraud, Waste, and Abuse Training



Objectives

By the end of the training, you will be able to identify and understand:

- * Laws and regulations related to MA and Part D fraud, waste and abuse (i.e., False Claims Act, Anti-Kickback statute, HIPAA, etc)
- * Obligations of the first tier downstream, and related entities to have appropriate policies and procedures to address fraud, waste, and abuse
- * Process for reporting to the MAO or PDP sponsor suspected fraud, waste and abuse in first tier, downstream, and related entities
- * Protections for employees of first tier, downstream, and related entities who report suspected fraud, waste and abuse
- * Types of fraud, waste and abuse that can occur in first tier, downstream, and related entities

Definitions

- * **Medicare Advantage Organization (MAO)** -A public or private entity organized and licensed by a State as a risk-bearing entity (with the exception of provider-sponsored organizations receiving waivers) that is certified by CMS as meeting the MA contract requirements.
- * **Plan Sponsor** - An entity that sponsors a health plan. This can be an employer, a union, or some other entity.
- * **First Tier Entity** – A party that enters into a written agreement, acceptable to CMS, with a Plan Sponsor to provide administrative services or health care services for a Medicare eligible individual under the MA or Part D programs. Examples include Pharmacy Benefit Managers (PBM), hospitals, and physicians.

Definitions

- * **Downstream Entity** – A party that enters into a written arrangement, acceptable to CMS, with persons or entities involved in the MA or Part D benefit, below the level of the arrangement between a Plan Sponsor and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. Examples include pharmacies, claims processing firms, or quality assurance companies.
- * **Related Entity** – An entity that is related to the Plan Sponsor by common ownership or control and performs some of the Plan Sponsor’s management functions under contract or delegation; furnishes services to Medicare enrollees under an oral or written agreement; or leases real property or sells materials to the Plan Sponsor at a cost of more than \$2,500 during a contract period.

Fraud, Waste, and Abuse (FWA) Training Requirement

Medicare Advantage Organizations and Prescription Drug Plans must apply FWA training to all entities they are partnering with to provide benefits or services in the Part C and Part D programs.

Training must be completed annually.

FWA Laws and Regulations

- * **False Claims Act** – Prohibits a person from knowingly presenting or causing to be presented, a false or fraudulent claim for payment or approval;
- * **Anti-Kickback Statute** – Provides for criminal penalties for certain acts that induce or reward the arranging of any item or service for which payment may be made in whole or in part under Medicare or a state health program.

FWA Laws and Regulations

- * **STARK Law** – Governs physician referral of Medicare patients to an entity with which the physician or a member of the physician's family has a financial relationship – unless an exception applies.
- * **Health Insurance Portability and Accountability Act (HIPAA)** – A law that specifies the types of measures required to protect the security and privacy of personally identifiable health care information.

Detecting Fraud, Waste, and Abuse

- * **Fraud** - The intentional deception or misrepresentation that an individual knows, or should know, to be false, or does not believe to be true, and makes, knowing the deception could result in some unauthorized benefit to himself or some other person(s).
- * **Waste** – The overuse of resources and/or services often involving payment for items or services that are billed by mistake by providers, but should not be paid for by Medicare.
- * **Abuse** - A range of the following improper behaviors or billing practices including, but not limited to:
 - * Billing for a non-covered service;
 - * Misusing codes on the claim (i.e., the way the service is coded on the claim does not comply with national or local coding guidelines or is not billed as rendered); or
 - * Inappropriately allocating costs on a cost report

Detecting Fraud, Waste, and Abuse

- * Examples of FWA by Medicare Advantage Organizations
 - * Inducing members to enroll with cash payments or rewards
 - * Screening prospective enrollees based on their medical condition
 - * Failing to provide necessary medical services

Detecting Fraud, Waste, and Abuse

* Examples of FWA in first tier entities

* Providers

- Billing for services not rendered or supplies not provided
- Receiving kickbacks or unlawful payment for the inducement of services.
- Altering claim forms, records, or medical documentation
- Theft of a prescribers Drug Enforcement Agency (DEA) number

Detecting Fraud, Waste, and Abuse

* Examples of FWA in first tier entities

* Pharmacy Benefit Managers

- Receiving remuneration for steering a beneficiary to a certain drug or formulary
- Splitting prescriptions to receive additional dispensing fees.
- Inappropriate use of free drug samples
- Failure to offer contracted rates

Detecting Fraud, Waste, and Abuse

- * Examples of FWA in downstream entities
 - * Pharmacies
 - Billing for brand drugs when generics are picked up
 - Forging and altering prescriptions
 - Dispensing expired prescription drugs
 - * Claims processing firms
 - Billing plans for services not received by members

Detecting Fraud, Waste, and Abuse

- * Examples of beneficiary FWA
 - * Using another person's I.D. card
 - * Prescription forging
 - * Visiting several doctors to obtain multiple prescriptions for the same drug

FWA Responsibilities

- * Medicare Advantage Organizations and Prescription Drug Plan Sponsors must have a compliance plan in place.
 - * Care N' Care has a compliance plan in action that includes measures to detect, prevent, and correct fraud, waste, and abuse.
- * First tier, downstream, and related entities must have appropriate policies and procedures to address fraud, waste, and abuse.

FWA Responsibilities

- * Compliance plans as well as policies and procedures should include:
 - * Training and Education
 - * Enforcement of standards
 - * Clear lines of communication
 - * Provisions for monitoring and auditing
 - * Procedures for ensure prompt response to offenses
 - * Access to reporting for violations

Reporting Potential Fraud, Waste, and Abuse

- * You are responsible to report possible FWA .
- * When you report a concern in good faith, you are protected from retaliation.
- * To report FWA to Care N' Care:
 - * Call the Compliance Hotline: **1-800-529-8300**
 - * Write to Care N' Care Compliance at 1701 River Run, Suite 402, Ft. Worth, TX, 76107.

Reporting Potential Fraud, Waste, and Abuse

- * You may also report possible FWA to:
 - * The Office of the Inspector General:
 - Call 1-800-447-8477
 - Fax 1-800-223-8164
 - Email HHSTips@oig.hhs.gov
 - * The Centers for Medicare and Medicaid Services
 - Call 1-800-MEDICARE

FWA Resources

- * HHS/Office of the Inspector General
 - * <http://oig.hhs.gov/fraud.asp>
- * CMS Prescription Drug Benefit Manual, Ch. 9
 - * http://www.cms.hhs.gov/PrescriptionDrugCovContra/Downloads/PDBManual_Chapter9_FWA.pdf
- * CMS Website
 - * <http://www.cms.hhs.gov/FraudAbuseforProfs/>

Questions

If you have any questions, contact Care N' Care
at 817-529-9234.