Health Care Fraud Awareness Training

Visit us at **bcbsnc.com**

BlueCross BlueShield
of North Carolina

Definitions

Fraud: intentional misrepresentation; deception; intentional act of deceit for the purpose of receiving greater reimbursement or services.

Abuse: reckless disregard; conduct that goes against and is inconsistent with acceptable business and/or medical practices resulting in greater reimbursement or services.

The major difference is that **fraud** is an intentional act while **abuse** is reckless conduct.

What is Health Care Fraud and Abuse

+ Health care fraud and abuse is a national problem that affects all of us either directly or indirectly. National estimates project that billions of dollars are lost to health care fraud and abuse on an annual basis. These losses lead to increased health care costs and potential increased costs for coverage.

+ Specifically, health care fraud is an intentional misrepresentation, deception, or intentional act of deceit for the purpose of receiving greater reimbursement. Health care abuse is reckless disregard or conduct that goes against and is inconsistent with acceptable business and/or medical practices resulting in greater reimbursement.

What Is Identity Theft?

+ Identity theft is a criminal offense. It occurs when a person knowingly transfers or uses, without lawful authority, a means of identification of another person with the intent to commit or to aid or abet any unlawful activity that constitutes a violation of federal law or that constitutes a felony under any applicable state or local law.

-Identity Theft and Assumption Deterrence Act, 18 USC 1028 (a) (7)

What is Medical Identity Fraud?

+ Medical Identity (ID) theft occurs when someone uses a person's name and other parts of their identity -- such as insurance information -- without the person's knowledge or consent to obtain (or make false claims for) medical services or goods.

- Frequently results in erroneous entries being put into existing medical records
- Can involve the creation of fictitious medical records in the victim's name
- Can result in financial risk and erroneous health care treatment for patients
- Challenge for providers, insurers, patients

What Is The Impact Of Fraud and Abuse

NATIONAL ESTIMATES

+ NHCAA estimates **3%** of health care expenditures are lost to fraud annually

+ Over $2 **TRILLION** in health care expenditures spent annually

+ Potentially **$60 BILLION** lost annually

NORTH CAROLINA ESTIMATES

"Approximately **10 percent** of all insurance claims involve some degree of fraud — totaling nearly **$120 billion** per year lost" – Former NCDOI Commissioner Jim Long

Types – Provider Fraud and Abuse

+ Submitting Claims for Services Not Rendered

+ Submitting Claims for Not Medically Necessary Services

+ Misrepresentation of Services, Dates of Service, and Charges

+ Upcoding services rendered

+ Unbundling procedure codes

+ Services rendered by non-licensed staff members

Types – Subscriber Fraud and Abuse

+ Filing for services not rendered and supplies not purchased

+ Enrollment of non-covered dependents

+ Filing claims for services rendered to a non-covered individual under a covered dependent's name

+ Misrepresentation on health questions on enrollment application

+ Doctor Shopping

Effects of Fraud and Abuse

+ Significant physical harm to patients which results in additional health care services and costs

+ Reduced scope of insurance coverage
    - Elimination of certain benefits
    - Lower lifetime maximum benefits

+ Increased cost of insurance coverage
    - Increased premiums or employee contributions
    - Increased co-payments and deductibles

+ Increased health care costs

How Providers Can Help Prevent Health Care Fraud and Abuse

+ Perform background checks on all employees.

+ Encrypt data - information systems are the next defense against healthcare data breaches.

+ Create policies and procedures to prevent healthcare data breaches and protect health information (PHI) under the Health Insurance Portability and Accountability Act (HIPAA).

+ Shred data.

Always Remember!

It is important to check proper identification on each patient at every visit!

Special Investigations Unit (SIU)

Help Us Prevent Health Care Fraud and Abuse

+ BCBSNC takes the fight against health care fraud and abuse very seriously. That is why BCBSNC has a department dedicated to preventing fraud and abuse: the Special Investigations Unit (SIU). The SIU includes a staff of trained professionals who carefully review all allegations of suspected fraud and abuse.

+ BCBSNC's Special Investigations Unit's mission is to detect, investigate, prevent, prosecute and recover the loss of corporate and customer assets resulting from fraudulent and abusive actions committed by providers, members, groups, brokers, and others.

Special Investigations Unit

+ <u>SIU Department</u>:

13 total - Director, Manager, 5 Investigators and 6 Analysts of which 2 are Nurses for Medical Necessity Reviews.

Supported by 1 Medical Director and 1 Business Analyst.

+ <u>Mission</u>:

The SIU is dedicated to detecting, investigating, preventing, prosecuting and recovering the loss of corporate and customer assets resulting from fraudulent and abusive actions committed by providers, subscribers, and employees.

SIU Staff

Over 150 years of BCBSNC experience

More than 50 years of SIU experience

Former Medicaid Fraud Investigator

Retired Tri-Care/Champus, Medicare, Medicaid
  Investigator

Accredited Healthcare Fraud Investigators

Certified Fraud Examiner

Certified Professional Coders

Medical Director

Registered Nurses

Former Law Enforcement / Healthcare Fraud Investigator

Certified Internal Auditor

Certification in Risk Management Assurance

Certificate in Control Self Assessment

SIU Investigations

+ Health care investigations are complex, unique and require time to analyze claims, medical records and other data.

+ Investigations can be developed through internal and external referrals, proactive claims data mining using fraud software, through professional organizations, federal and state contacts.

+ Investigators and Analysts are paired together to obtain medical records, analyze data, complete cases and final reports.

+ Medical records can be reviewed by the Medical Director and/or an external specialty medical consultant.

+ Certain cases of fraud and abuse must be reported to regulatory agencies and law enforcement including the Federal Employee Program (FEP), Medicare and the NC Department of Insurance (NCDOI).

Common Reasons for Provider Overpayments

+ Provider bills additional CPT codes that are not allowed
  - Example – Specimen handling fee is billed separately with the lab fee, however it is already included in the lab charge.

+ Provider Upcoding where they bill for a higher level of service than provided
  - Example – Provider bills for a first time office visit every time.

+ Provider bills for add on services that were not provided
  - Example – Provider bills for X rays, strep tests, sleep studies and excessive lab tests that are not medically necessary.

+ Services rendered by non-licensed staff members

SIU Investigation Outcomes

+ Subscriber/Provider Education

+ Overpayment Recoupment

+ Provider Network Termination

+ Subscriber/Group Termination

+ Civil Litigation

+ Regulatory Agency and Law Enforcement Referral

+ Criminal Prosecution

Reporting

+ **<u>Be part of the solution</u>:**

   We will continue to work with doctors, hospitals, consumers and law enforcement to identify and prevent fraud and abuse

+ **<u>Report fraud and abuse to the SIU</u>:**

   Fraud Hotline: 800-324-4963

   Fax: 919-765-7753

   Internet:
   http://www.bcbsnc.com/content/corporate/fraud/

   Mail: Special Investigations Unit
   Blue Cross and Blue Shield of North Carolina
   P.O. Box 2291
   Durham, North Carolina 27702-2291

Questions

This presentation was last updated on **[date]**. BCBSNC tries to keep information up to date; however, it may not always be possible. For questions regarding any of the content contained in this learning module, please contact Network Management at 1.800.777.1643.