Program Integrity: Fraud Prevention, Detection & Correction

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Who We Are

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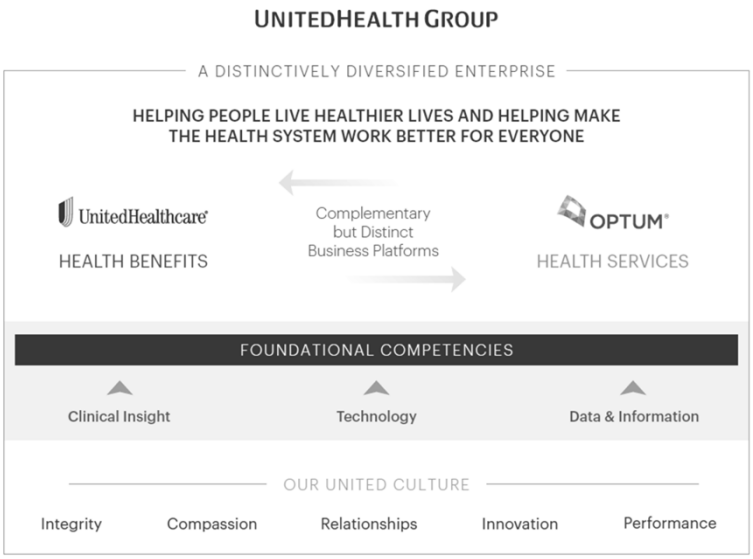

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Health Care Fraud

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Health Care Fraud

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An owner of a Florida pharmacy sentenced to **15 years in prison** & ordered to pay $54.5 million for a **prescription drug fraud scheme**.

Two co-conspirators connected with clinics in Brooklyn, NY, were sentenced for their role in a **$48.5 million healthcare fraud scheme**.

Health Care Fraud

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Auditor "shocked" by massive billing schemes at rural hospitals

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Rural hospitals across the country are closing at the highest rates in decades. Since 2010, 83 have shuttered. Desperate to stay open, some hospitals got caught up in dubious billing schemes. In March, CBS News investigated questionable billing at rural hospitals in Georgia and Florida.

https://www.cbsnews.com/video/some-rural-hospitals-exploited-by-health-care-executives/

Agenda

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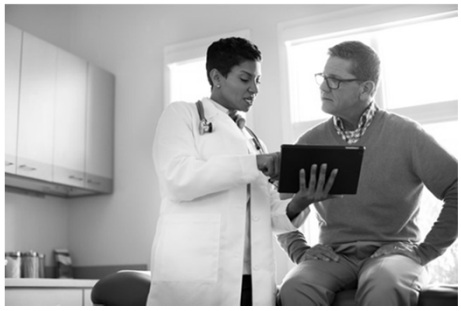
- Program Integrity
- Anti-FWA Compliance Programs
- Prevention, Detection & Correction –Examples
- Collaborating with Government Entities



1 **It's the right thing to do**
Protects members, providers and the public from harm

2 **Regulatory & compliance obligations**
Required by law to have mechanisms in place to prevent, detect, and correct FWA

3 **Good business practice**
Being good stewards of health care dollars

COMPLIANCE — IT'S OUR — ROCK

Compliance plays a key role!
Anti-FWA Compliance Program

8

Program Integrity

Program Integrity

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Program Integrity consists of activities that focus on prevention, detection, and correction activities undertaken to minimize or prevent overpayments due to fraud.

PREVENTION	DETECTION	CORRECTION
• Fraud prevention programs • Claims edits • Data analytics • Aberrant billing pattern analysis • Verification of excluded individuals & entities • Drug utilization review	• Investigations • Post-payment reviews • Pharmacy & provider audits • Data analytics • Machine learning & Artificial intelligence • Provider education	• Corrective action • Provider education • Retrospective recovery • Reporting and referral

Ongoing feedback loop

Anti-FWA Compliance Programs

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1. Based on the 7 elements of an effective compliance program,
2. Align with the company's Compliance Program, and
3. Meet any other applicable requirements.

7 ELEMENTS	OTHER REQUIREMENTS
▪ Written standards & policies ▪ High level oversight - governance ▪ Training & education ▪ Effective lines of communications / reporting ▪ Enforcement & disciplinary standards ▪ Auditing, monitoring & identification of compliance risks ▪ Prompt response to identified issues	▪ Reporting of overpayments ▪ Verification of services ▪ Referral of potential FWA ▪ Suspension of payments ▪ Notification of provider circumstances due to potential FWA (e.g., contract termination) ▪ Eligibility verification ▪ Policies & procedures

This is not a comprehensive list. Requirements vary based on type of business and contract.

Regulatory Landscape

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State Agencies

MEDICARE
MEDICAID
COMMERCIAL

Departments of Insurance

EMPLOYER GROUPS

Program Integrity

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The UnitedHealthcare Compliance Program is the formal structure established by the organization to fulfill its legal obligations to the state and federal government and regulatory agencies. It is:

- Required by state and federal law and regulation
- A strategy implemented across all UHC lines of business that includes a system of individuals, structures and processes
- The process by which the organization operationalizes and demonstrates it's legal and regulatory responsibilities and commitments

As part of our Compliance Program, **our Anti-Fraud, Waste and Abuse program** focuses on prevention, detection, and correction activities undertaken to minimize or prevent overpayments due to fraud, waste or abuse.

Program Integrity
Partners

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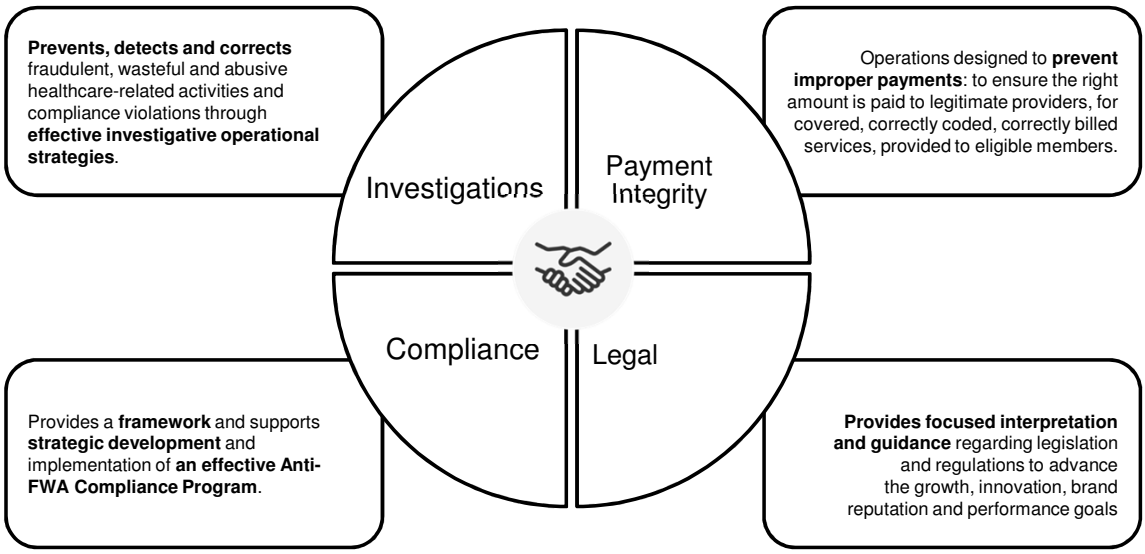

Prevent ⇨ Detect ⇨ Correct ⇨

Program Integrity
Special Investigations Unit

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MEDICAL	PHARMACY	DATA
Investigations centralized around medical and/or ancillary benefits. Investigations are: • Retrospective	Investigations centralized around pharmacy benefits and network. Investigations are: • Retrospective • Preventative	Performs sophisticated analytics and data manipulation. Creates powerful graph data visualizations. Develops databases and manages big data.

MISSION

- **Protecting the ethical and fiscal integrity** of the company and its employees, members, providers, government programs, and the general public.
- **Safeguarding the health and well-being** of our members.
- **Preventing, detecting, and correcting** fraudulent, wasteful, and abusive activities and compliance violations through effective investigative operational strategies.

Prevent, Detect, Correct

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PREVENTION

- Fraud prevention programs
- Claims edits
- Pre-payment data analytics
- Aberrant billing pattern analysis
- Verification of excluded individuals & entities
- Drug utilization review (DUR)
- Opioid overutilization prevention
- Training & Education
- Code of conduct

SPOTLIGHT ON

Fraud Prevention Programs:

- Independent Pharmacy Enhanced Credentialing (IPEC)
- Independent Verification Program (IVP)

Pharmacy Investigations
Focus on Prevention

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Independent Pharmacy Enhanced Credentialing ("IPEC")

A preventative fraud credentialing program in which the standard pharmacy credentialing process is enhanced with additional validation activities performed by trained SIU investigators.

Jurisdiction & Scope

Independent Retail Pharmacies

Located in Health Care Fraud Prevention and Enforcement Action Team (HEAT) areas:

- Miami-Dade, Florida
- Tampa Bay, Florida
- Brooklyn, New York
- Houston, Texas
- Dallas, Texas
- Chicago, Illinois
- Detroit, Michigan
- Los Angeles, California

FACTS

- **Program started in 2014**
- **Key elements include:**
  - ✓ Onsite inspections
  - ✓ Inventory reconciliation
  - ✓ Background checks

Pharmacy Investigations
Case Examples - IPEC

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Pharmacy A investigated as a part of IPEC located in Florida.

- Pharmacy was found in violation of at least 9 requirements.
- No drug inventory but processing claims.

Attempted to process $40K worth of claims

Pharmacy Investigations
Case Examples - IPEC

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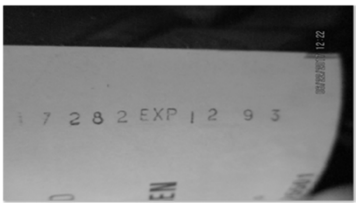
Pharmacy B investigated as a part of IPEC located in New York.

Sanitary Issues



Expired Drugs

PHI

Laboratory Investigations
Focus on Prevention

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Independent Verification Program (IVP) – Enhanced verification process for independent laboratories located within high risk states, who expressed an interest or intent to bill UHC for laboratory services.

Investigative activities

- Provider verification (case lead)
- Background investigation
- Claims data review
- Unannounced onsite inspection
- Findings and recommendations

FACTS

- **Program started in June 2017**
- **Over 40 laboratories inspected**
- **Actions taken may include full denial of incoming claims or a request to review records before paying claims**

Laboratory Investigations
Case Examples - IPV

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Laboratory "E"

Laboratory Investigations
Case Examples - IPV

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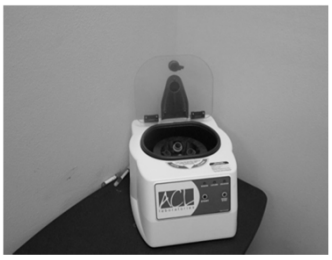
Laboratory "F"


Laboratory Investigations
Case Examples - IPV

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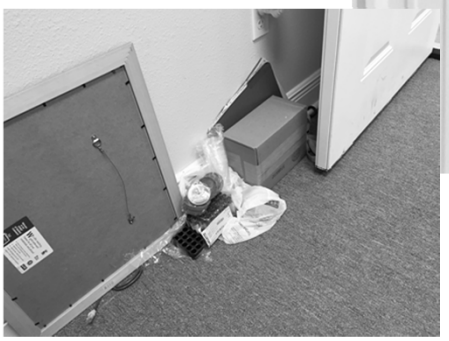
Laboratory "G"

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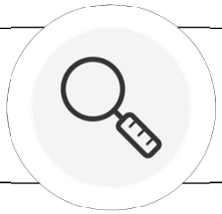
DETECTION

- Investigations
- Scheme specific investigations
- Post-payment reviews
- Controlled substance drug diversion program
- Lock-in program
- Pharmacy & provider audits
- Advanced Analytics
- Machine Learning & Artificial Intelligence
- Provider education

SPOTLIGHT ON

Special Investigations:

- Medical Investigations
- Addressing Abusive Laboratory Billing Practices



Medical Investigations
Focus on Detection

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Scope

- Performs retrospective investigations of credible suspicions of fraud.
- Responsible for conducting investigative activities and has knowledge and experience in intelligence led investigative practices and relevant legislation.

Jurisdiction

In and out of network providers, including:

- Professional and facility
- Durable medical equipment (DME)
- Dental
- Vision

- **Investigative steps include:**
  - ✓ Member & provider interviews
  - ✓ Review evidence
  - ✓ Medical records reviews
  - ✓ Onsite inspections

Medical Investigations
Case Examples – Orthosis

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Provider A investigated as a part of a (national) durable medical equipment scheme with ties to telemedicine issues.

- Identified via member complaints and data analytics; member & provider interviews conducted
- Often referred to as "mummy scheme"
- **Provider A** referred and accepted by Office of Insurance Fraud Prosecutor

Prevent, Detect, Correct

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In addition to detection, investigation, payment prevention and recovery efforts, corrective action is taken when fraud, waste or abuse is discovered. Corrective actions vary based on the nature of the issue.

CORRECTION

- Corrective action
- Provider education
- Retrospective recovery
- Reporting
- Referral to law enforcement, state agencies, boards
- Disciplinary action

Laboratory Investigations
Addressing Abusive Billing Practices

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Two key figures who prosecutors say played a role in multiple medical kickback schemes in Dallas in which doctors were paid to steer patients to certain hospitals have agreed to plead guilty in two cases, court records show.

Two key figures who prosecutors say played a role in multiple medical kickback schemes in Dallas in which doctors were paid to steer patients to certain hospitals have agreed to plead guilty in two cases, court records show.

Andrew Hillman, 42, and Semyon Narosov, 54, owned the Next Health network of pharmacies and testing labs that gave people $50 gift cards to urinate in cups at Whataburger bathrooms.

The specimens were sent to the Next Health labs for a battery of unnecessary and expensive tests under the guise of a wellness study, court records say, and doctors were paid kickbacks for referring patients.

Relationships & Collaboration

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CMS CENTERS FOR MEDICARE & MEDICAID SERVICES

TDI Texas Department of Insurance

The Fight Against Health Care Fraud

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We all play a part

Compliance plays a key role

Relationships matter

Appendix

Appendix

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- *Dallas men to plead guilty to roles in two massive health care kickback case,* Dallas News, 9/26/2018.
  https://www.dallasnews.com/news/crime/2018/09/26/dallas-men-plead-guilty-roles-two-massive-health-care-kickback-cases

Dallas News