

# Fraud, Waste and Abuse

The material presented has been prepared in good faith with the goal of providing accurate and authoritative information regarding the subject matter covered. Community Care, Inc. will endeavor to provide updates and additions as needed.

# INTRODUCTION

- Federal health programs, including Medicaid, lose billions of dollars annually because of fraud, errors, and abuse
- Federal and State laws apply to Fraud, Waste and Abuse (FWA). Contracts with Community Care, Inc. include requirements to be in compliance with Federal and State Laws.
- This training is designed to inform Providers how to identify and prevent FWA.

# WHAT IS FRAUD, WASTE AND ABUSE?

- ▶ **FRAUD** is intentionally submitting false information to get money or a benefit
- ▶ **WASTE** is misuse of resources
- ▶ **ABUSE** is not following sound medical, business or financial practices which result in payments received that are not owed to you or result in poor patient care

## **EXAMPLE OF FRAUD - ADULT FAMILY HOME BILLING FOR TIME WHEN MEMBER IS IN THE HOSPITAL**

A member is placed in an Adult Family Home on 10/1. The member falls and is taken to a hospital emergency room and admitted to the hospital on 10/4.

The member remains at the hospital until 10/10

The Adult Family Home provider intentionally bills Community Care the full-service rate for the entire month even though it knows the member was not present 10/4-10/10.

Intentionally billing the full-service rate for a time the member is not there is fraud.

# EXAMPLE OF WASTE: DUPLICATION OF SERVICES

A Member is referred by her Primary Care Physician to see a Specialist. The Specialist does not review her medical file to see what tests have been run. The Specialist orders the same tests to be run again.

This is Waste, as the tests have already been run and the results can be used by the Specialist.

## **EXAMPLE OF ABUSE: INACCURATE PAYMENTS**

Sunset Therapies created a “cheat sheet” with CPT codes for their staff to use. The cheat sheet used an incorrect code so a 45 minute session was billed as a 60 minute session.

This is Abuse, as the mistake on the cheat sheet results in a larger payment than should be paid for the services given.

# HOW TO PREVENT FRAUD, WASTE AND ABUSE

- Look for suspicious activity
- Conduct yourself in an ethical manner
- Verify accurate and timely data and billing
- Verify all received information
- Train employees that preventing FWA is everyone's responsibility