


CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES

**Center for Program Integrity
Division of Plan Oversight and Accountability
Fraud, Waste and Abuse Updates**



ICE 2018 Annual Conference

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Division of Plan Oversight and Accountability
December 4, 2018**

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW

Agenda

- Medicare Advantage and Prescription Drug Plans Investigation Missions and FWA Training
- Current schemes in Medicare Parts C and Part D
- Opioid Educational Mission with Medicare Part C and D Plan Sponsors
- Medicare Parts C and D Preclusion List

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**Medicare Parts C and Part D
Investigation Missions and
FWA Training**

Investigation Missions

- In an effort to provide Program Integrity updates to Medicare Parts C and D plan sponsors, the Center for Program Integrity(CPI) hosted two collaboration missions this year in April and October.

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Investigation Missions

- The purpose of the missions is to:
 - Share current schemes, trends, investigations and anti-FWA activities.
 - Identify areas for targeted investigations and data analysis.
 - Engage participation from representatives in the plan sponsor’s Special Investigation Units (SIU) in sharing their best practices.

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Investigation Missions

- The following discussion topics were included:
 - Updates on emerging trends in healthcare fraud from the Office of Investigation, Office of Investigations (OIG/OI).
 - Data analytic updates from the National Benefit Integrity (NBI) MEDIC and the Center for Program Integrity (CPI).
 - Plan Sponsor breakout sessions to discuss potential FWA scenarios and provide best practices on investigative processes.
 - Plan sponsor panel discussions on telemarketing and opioids.

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FWA Training Event

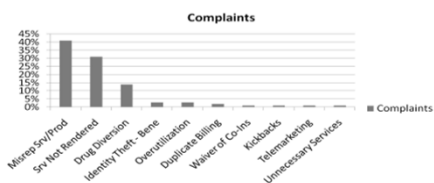
- CPI hosted a large FWA training event in July 2018 in which 120 attendees participated.
- FWA training included the following:
 - Program Integrity Basic
 - Investigative Breakout Sessions
 - Compound Drugs
 - Office of Inspector General Fraud Schemes and Trends
 - PLATO

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Types of Complaints

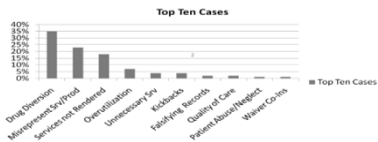
Top Ten Parts C and D Complaints 1/1/2018 – 9/1/2018



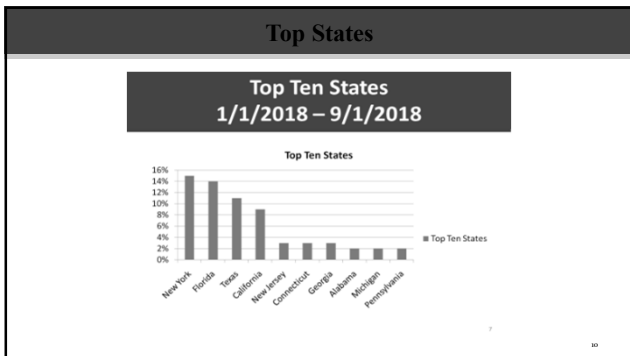
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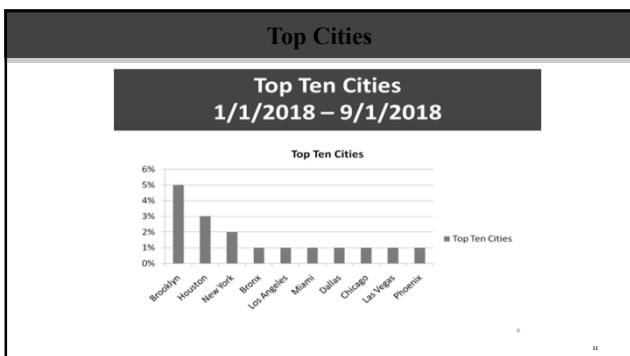
Types of Cases

Top Ten Parts C and D Cases 1/1/2018 – 9/1/2018



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**Current Schemes Affecting Medicare
Parts C and Part D**

Durable Medical Equipment

- Allegations include:
 - Telemarketing of orthotics and lidocaine.
 - Billing through companies with straw owners for equipment that was not provided.
 - Once the fraud is discovered the company closes and the equipment is billed through another DME company.

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Telemarketing

- Allegations include:
 - Doctors receive a list of beneficiaries to contact from a telemarketing company.
 - There is no doctor/patient relationship.
 - There is no medical exam.

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New Medicare Card Fraud

- Georgia - the Police Department issued a press release concerning scammers calling beneficiaries and trying to sell them a temporary discount card (typically between \$5 - \$50) until their new Medicare card arrives.
- Pennsylvania - one of the counties received complaints from beneficiaries reporting calls from scammers that they must pay for the new card and asking for their checking account number and Medicare number.

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New Medicare Card Fraud

- Beneficiaries being asked for their Social Security number and other personal information for the new Medicare card.
- Health plan reported that a member was offered the new Medicare card in exchange for their Social Security number, and informed they were eligible for a leg brace.

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Lidocaine

- Also linked to telemarketing schemes is the prescribing and dispensing of lidocaine creams.
- Beneficiaries are called and asked if they have pain and could benefit from the use of lidocaine.
- Beneficiaries may start out refusing the offer of lidocaine however by the end of the call, many agree to accept the lidocaine as they are told it is "free".

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Lidocaine

- CMS issued an educational notice to the plans early this year advising of this practice.
- In response, plans are providing educational information to their members on telemarketing schemes, and reviewing their data to detect any potential inappropriate billing.

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Outcomes of Fraud Investigations

- **Telemedicine Fraud Scheme**
 - In October, 4 people in TN were indicted by the federal government for an alleged scheme involving telemedicine to bilk insurers of over \$170 million.
 - The defendants worked with a telemedicine company to get fraudulent insurance coverage information and prescriptions from patients.
 - Doctors were tricked into approving the prescriptions which were initially invalid.

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National Healthcare Fraud Takedown June 2018

- The Department of Health and Human Services Office of Inspector General, along with state and federal law enforcement partners, participated in the largest health care fraud takedown in history in June 2018.
 - More than 600 defendants in 58 federal districts were charged with participating in fraud schemes involving about \$2 billion in losses to Medicare and Medicaid.
 - 165 of the defendants were medical professionals.

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Opioid Educational Missions with Plan Sponsors

Opioid Educational Mission

- Reference was made to opioid diversion and abuse in the June 2018 Federal Takedown.
- In October, the Justice Department announced the creation of the Appalachian Regional Prescription Opioid Strike Force.
 - The epidemic is a priority for CMS and for the plans that provide Medicare benefits.

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Opioid Educational Mission

- CPI met individually with a small number of plans in August to discuss their oversight and monitoring efforts to combat the opioid problem.
 - Many plans are educating their prescribers and members
- The OIG joined us in these meetings to share with the plans their investigative focus.

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Medicare Parts C and Part D Preclusion List

Medicare Parts C and D Preclusion List

- CMS-4182F starts January 2019
- Replaces the Medicare Advantage (MA) and Prescriber enrollment requirements and creates a Preclusion list.

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Preclusion List

- Preclusion List
 - Applies to individuals/entities
 - Currently revoked and under an active re-enrollment bar, or
 - Could have revoked if enrolled in Medicare; and
 - Conduct that led to the revocation is considered detrimental to the Medicare program.

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Preclusion List

Medicare Advantage Part C

- 120,000 unenrolled MA providers
- Opted out providers cannot receive Medicare payment for services furnished to Medicare beneficiaries under FFS or a MA plan.
- MA plans will deny payment for a health care item or service if the individual/entity is on the Preclusion List.

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Preclusion List

Prescriber Part D

- 340,000 unenrolled prescribers
- Pharmacy will deny prescriptions at point of sale if the provider is on the Preclusion List.

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Questions

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