HEALTHCARE FRAUD

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QUICK STATS FOR HEALTHCARE FRAUD

- Healthcare Fraud Costs the Nation $68 Billion Annually
  - Includes Private Insurance and Medicare/Medicaid

- In 2017 OIG HHS Identified $1.3 Billion in False Billings in Medicaid/Medicare Alone
  - Involved 400 Defendants in 41 Different Areas
  - For Every Dollar Spent Fighting Fraud, $5 is Recovered

- $12.5 Billion in Dental Fraud Annually
POLL QUESTION 1

“Your health insurance doesn’t pay for heartburn. You need fire insurance for that.”

POLL ANSWER:
D. ALL OF THE ABOVE
Six Former NFL Players Charged in Fraud of Healthcare Benefit Plan – July 2020

Couple searched obituaries to carry out $13 million NC Medicaid scheme

Pacira Pharmaceuticals Inc.

› Occurred 12/1/2012–4/30/2015
› Paid Kickbacks to Doctors to Prescribe Exparel (Their Drug)
› Kickbacks Were in Form of Non-Existent Research Grants
› Offered to Physicians and Their Hospitals
› Ordered to Payback $3.2 Million
Couple searched obituaries to carry out $13 million NC Medicaid scheme

- Occurred between Feb. 2010 and Feb. 2019
- Ran Agape Healthcare Systems, Inc., a Medicaid home health provider
- Kept submitting claims after moving to Maryland and then Nevada
- Reviewed obituaries to back bill for claims
- Received over $10 million from 2017–2019

Prescription Drug Scheme Marketing Company – 1

- Occurred between Feb. 2015 and Feb. 2017
- Recruited people to get medications they didn’t need and bill insurance
- Targeted insurance companies that paid for compound prescriptions
- Prescriptions filled with partnering tele-pharmacies
- Patients were paid to fill prescriptions; most were NJ MTA employees
- Admitted to $8.8 million in fraud
EBS Employees Defraud $17 Million in Client Funds for Benefits

- Occurred between 2015 and 2019
- EBS offers insurance related healthcare benefits
- Offered self-pay for insurance claims to clients that self-fund their plans
- Claims in the check registry were paid every 2 weeks
- Most claims were non-existent and paid themselves

Maryland Dentist, 2 others charged with plot to defraud Medicaid

- Occurred between January 2013 and May 2018
- Fraudulently obtained over $8 million in Medicaid funds
- Paid kickbacks for new patients
- Submitted claims for services not provided
- Medicaid payments suspended to dentist personally in 2015 so claims were submitted under a company he was CEO
Six Former NFL Players Charged in Fraud of Healthcare Benefit Plan

- Occurred between June 2017 and December 2018
- Healthcare reimbursement accounts allowed up to $350,000 per player for medical expenses not covered tax free
- Submitted false claims totaling $3.9 million
- Charged with identity theft for filing claims under other players
- Some individual claims were $50,000 for equipment never purchased.

Columbian National Pleads Guilty to Medicare Fraud

- Occurred between January 2013 and May 2018
- Fraudulent claims for durable medical equipment (DME) totaling $109 million
- Employees established shell companies to submit fraudulent claims in 12 states
- Included claims for deceased patients and repeat claims for same patients
POLL QUESTION 2

I’m waiting to see how many “likes” my diagnosis gets before I share it with you.

POLL ANSWER:
D. ALL OF THE ABOVE
Most Common Healthcare Fraud Areas

✓ Telemedicine
✓ Dental
✓ Durable Medical Equipment
✓ Patient Medicaid Eligibility
✓ Prescription Drugs
✓ Testing and Diagnostics (Especially now with Covid-19)

Most Common Healthcare Fraud Schemes

X Services Not Rendered
X Up-coding
X Medically Unnecessary Procedures – Diagnostic and Testing Very Common
X Non-covered Procedures Coded as Necessary (Cosmetic Surgery is One)
X Unbundling
X Kickbacks for Patient Referrals
MOST COMMON DENTAL FRAUD

- Inflated Billing
  - Adding services not required
  - Billing services higher than performed (Also called Upcoding)
- Phantom Patients
- Worthless Treatments
  - Unnecessary root canals or extractions

By the Numbers

Total Federal Fraud and FCA Recoveries
North Carolina Healthcare

- Over the last 10 years, more than $850 million recovered
- More than 450 convictions in fraud
- Medicaid covers more than 2.1 people (More than 20% of population)
- Largest private health insurance for NC (BCBSNC) has 3.81 million members as of 12/31/2019
- Ability to defraud government is very high

What Helps Identify Fraud

- Whistleblowers are the number 1 identifiers of fraud
- Neighbors of Medicaid Recipients
- Data Analytics
- Greed leads to mistakes
- Individuals reporting errors on EOB
POLL QUESTION 3

POLL ANSWER:
B. EVERYONE