EFFECTIVELY STRUCTURING A STRONG FRAUD, WASTE, AND ABUSE PROGRAM

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Session Outline

- Elements of a strong program
- Make-up of a FWA team
- The importance of training and education
- Identification of risk / Data analysis
- Documentation standards
- Referrals to law enforcement
- Preparation for audits
- Reporting and benchmarking
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A comprehensive fraud, waste and abuse program includes both prevention and detection elements such as:

- Written anti-fraud plan
- Detailed policies and procedures
- Corporate standard of conduct/ethics
- Corporate conflict of interest statements
- Participation with compliance committee
- Ongoing training/education of employees, providers, members, vendors, others
- Effective lines of communication internally and externally
- Monitoring and auditing
- Establishing corrective action procedures

The corporate anti-fraud plan:

- Clear corporate commitment
- Fraud awareness education
- Make-up of SIU
- Detection methods
- Internal investigation procedures
- Contact with regulators and law enforcement
- Coordination of recovery efforts
- Measurement of activities – recoveries, cost avoid, case dispositions, trends
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Make-up and Function of the Special Investigations Unit (SIU):

- Internal investigative unit, often separate from Compliance – staffed to conduct analysis, investigation, surveillance, reporting.
- Dedicated legal, and network resources as-needed
- Collaboration with internal auditors as well
- **Recommendations:**
  - CFEs
  - Clinical / Coding
  - Former law enforcement
  - Ample support from other departments as necessary - Legal, Compliance, Medical Management, Pharmacy, Data Analysis
  - The right tools are important (data mining, coding and regulatory resources, fraud detection software)
- Make-up of the unit at the UPMC Health Plan

Training and education:

- All employees, providers, members, vendors, others
- Employee training - at initial hiring and annually thereafter
- Maintain records of the date, time, attendance, topic of the training and results of training
- **Topics to be included in general compliance training include:**
  - Description of the corporate compliance program and applicable P&Ps
  - Review of disciplinary guidelines for non-compliant or fraudulent behavior
  - Description of conflict of interest
- FWA training should be conducted to ensure employees have a basic exposure to the applicable laws & regulations and FWA schemes
  - HIPAA, False Claims Act, Anti-Kickback Statute, etc
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Training and education:

- Consider web-based tools, intranet sites and videotaped presentations
- Quizzes or tests should be used to ensure individuals understand compliance goals of organization
- Retain adequate records, including attendance logs, and training materials
- Conduct specialized training where necessary (pharmacy, claims processing, enrollment)
- Author articles for member and provider newsletters and web
- Promote FWA and compliance hotlines
- Publicize high profile and successfully investigated cases
- Participate in information-sharing locally and nationally
- Network with colleagues – NHCAA, ACFE, IIA, AICPA

Identification of risk / data analysis:

- Stay abreast of current schemes and trends locally and nationally
- Interview management regarding internal risks
- Understand internal process and IT systems control weaknesses
- Understand claims system edits and reimbursement contracts
- Routinely produce profiling and trending reports – examples:
  - High producing, high cost providers – outliers within peers of the same specialty
  - High E&M levels
  - Frequent use of miscellaneous codes
  - Frequent re-bills and claim adjustments
  - Possible split billing/unbundling
- Utilize fraud-detection software
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Identification of risk / data analysis - pharmacy:

- Establish a cross-functional team to tackle pharmacy issues
- Conduct joint medical and pharmacy claims analysis
  - Analyze office visits and diagnosis vs. drugs billed
  - Multiple prescriptions for controlled substances from various pharmacies and / or providers (the ‘3 or more rule’)
  - Top members and prescribers by ingredient or billing cost
  - Member / pharmacy combinations
  - Prescriber / pharmacy combinations
  - Geographic outliers – member, pharmacy, provider ‘triangle’

Identification of risk / data analysis – more pharmacy:

- Establish partnership with your PBM, pharmacy dept and others
- Determine strength of PBM system edits and program integrity function
  - Point-of-sale controls, desk audits, field audits
- If PBM function is adequate – delegate, but monitor!
- If PBM is weak, request changes - amend contract
- If PBM unable or unwilling, double your efforts and/or get new PBM!
- Pharmacy claims processing system edits can be used to detect and prevent FWA:
  - Edits preventing the early refills of prescriptions
  - Sex, age, and excessive dosage edits
  - Step therapy and prior authorization edits
  - Edits on Part D drug exclusions or Part B vs. Part D drugs
  - Prescriptions from excluded or deceased providers
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Case Documentation (Database or case management system)
- Electronic / scanned documents
- Standard case recording/numbering convention
- Identification of assigned staff
- Time milestones, status updates – initial entry to final disposition
- Interview notes
- Coding/billing research
- Copies of claims, medical records, etc. for all audit exceptions
- All correspondence
- Certified Mail receipts
- Subpoenas or RFIs
- Calculation of recoveries and/or cost avoid
- Memos, final reports
- File review cover sheet / reviewer notes

Referrals to law enforcement:
- Understand expectations (Must case be a ‘slam-dunk’?)
- Be sure of facts, and be aware of materiality
- Accurate and complete documentation (the money trail)
- Establish internal review and approval process
  - Legal, compliance, audit
- Establish healthy working relationship
- Monitor timeframes and status of cases
- Be sure staff understands basics of legal system
- Prepare staff for depositions and court dates
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Preparation for audits:
- Audits conducted by employer groups, external auditors, regulators
- Initial CMS and OIG audits related to Medicare Part D – a number of plans not well prepared for, or meeting FWA requirements
  - Preparation:
    - Comprehensive FWA plan and infrastructure
    - Consult contracts, regulations, and any associated audit guides – for example, Part D - specifically Chapter 10
    - Knowledge of / compliance with federal and state standards
    - Designation of compliance officer and committee
    - Effective FWA and compliance training
    - Effective lines of communication
    - Disciplinary guidelines and enforcement
    - Robust internal monitoring and auditing
    - Responses to audit findings – CAPs

Reporting and benchmarking:
- Internal reporting should be organized by line of business, and include the following elements:
  - Number of new cases this period, and sources of referrals (member, provider, employee, anonymous hotline, other)
  - Type of cases (upcoding, services not rendered, unbundling, drug diversion, drug seeking, eligibility, id theft/eligibility)
  - Case risk or priority (low, medium, high)
  - Number of open cases
  - Total of law enforcement or regulator requests for investigative assistance
  - Number of cases closed this period
  - Recovered dollars
  - Cost avoid quantified
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Reporting and benchmarking:
- Important to gauge the productivity of the FWA unit, and the success of the associated efforts.
- One significant source is the NHCAA survey data
  - Total of claims paid, covered lives, budget
  - Geographic scope of business
  - Levels of FWA unit management responsibility
  - Reporting structure
  - Staffing numbers
  - SIU staff salaries
  - Cases worked and open in inventory
  - Recoveries and cost avoid

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QUESTIONS??