

# Medicare and Medicaid (Medi-Cal) Fraud

OMNIORE Luncheon  
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WISE & Healthy Aging





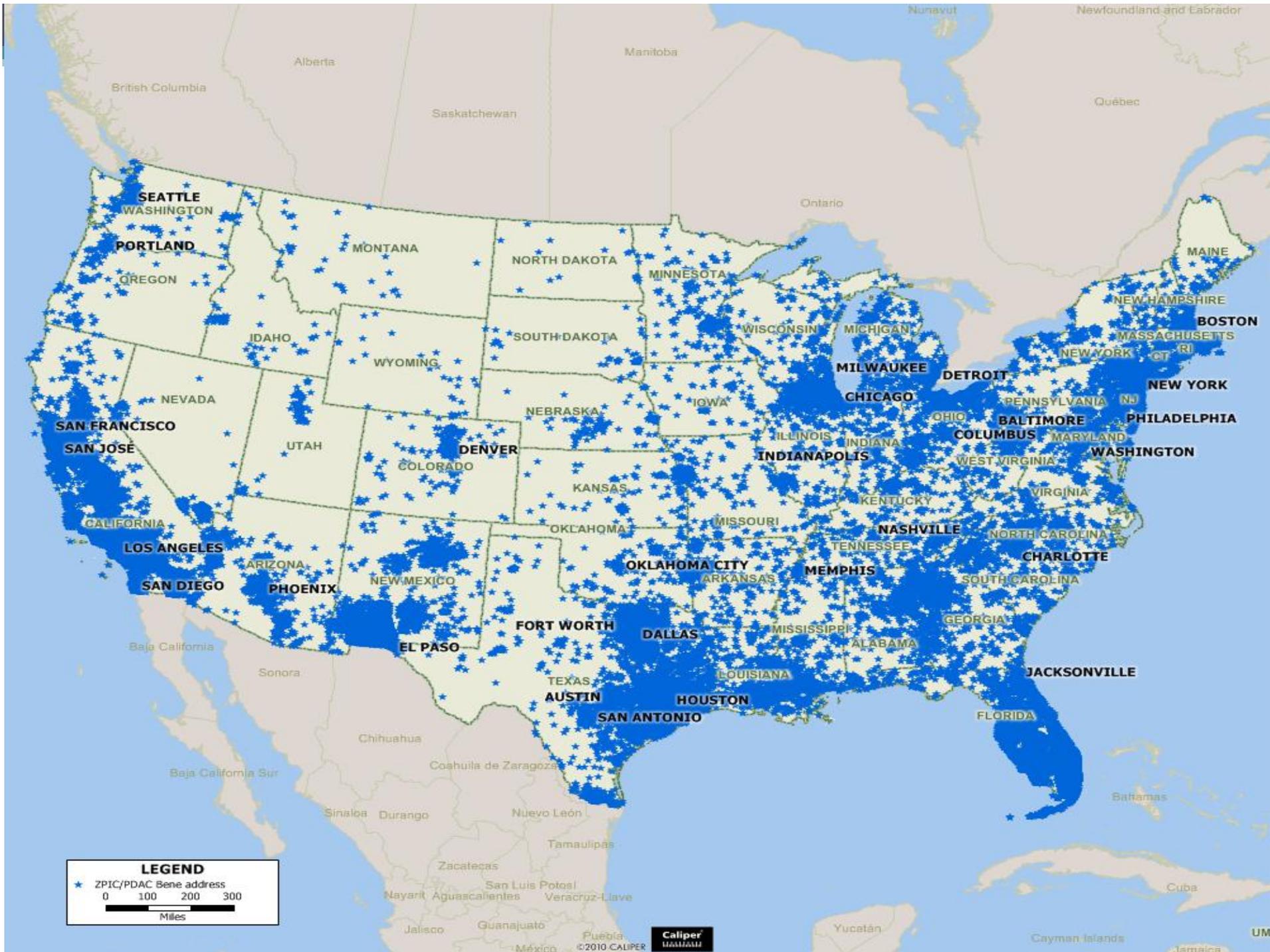
# Senior Medicare Patrol (SMP): From Idea to National Program

Through Public Law 104-208 ( est. 1997)

- ▶ Administration on Aging established 12 demonstration projects to recruit and train retired professionals to detect and report potential error, fraud and abuse
- ▶ There now are SMP projects in all states, Washington DC, Puerto Rico, Guam, and the U.S. Virgin Islands

# Some Startling Statistics

- ▶ How much does Medicare pay out annually in claims?
  - \$575.5 BILLION DOLLARS each year
- ▶ How much money is lost from the Medicare trust to fraud, waste and abuse each year?
  - \$75 - \$91 BILLION DOLLARS each year
- ▶ What states have most Medicare fraud?



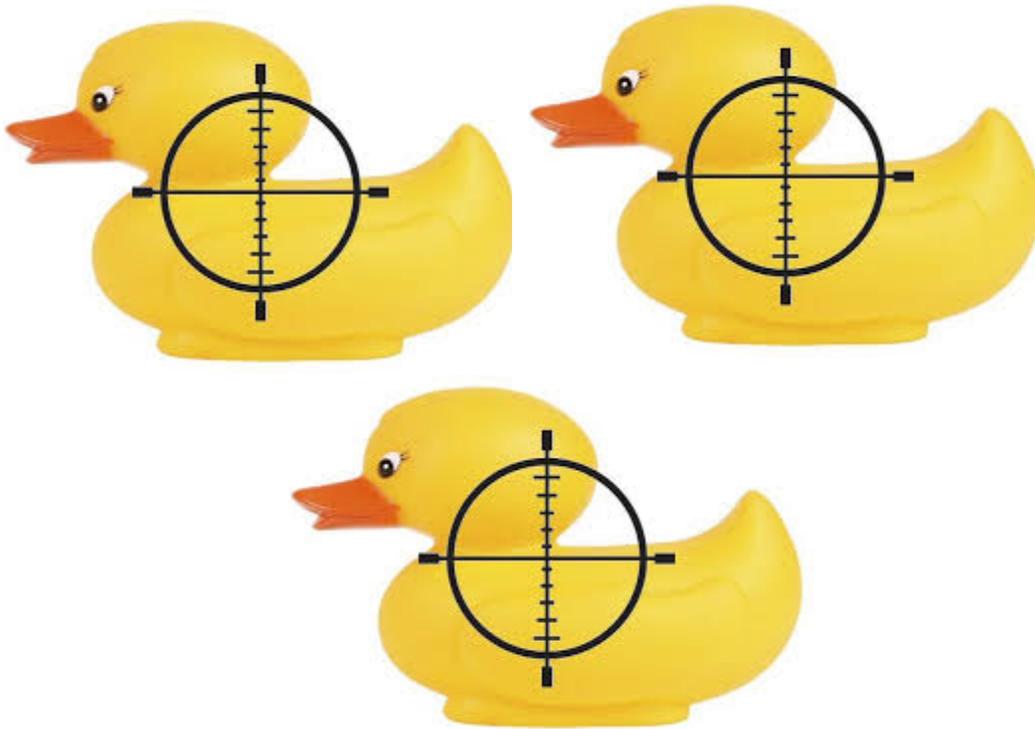
**LEGEND**

★ ZIP/Postal Delivery Area (PDAC) Bene address

0 100 200 300

Miles

# Don't Be A Sitting Duck





# Medical Identity Theft

- ▶ Medical identity theft occurs when someone uses another person's name or insurance information to get medical treatment, prescription drugs or surgery.
- ▶ If the thief's health information is mixed with yours, your treatment, insurance and payment records, and credit report may be affected.

# Medicare & Medicaid (Medi-cal) Fraud

- ▶ Doctor, Medical Facility, Lab, Pharmacy
  - Billing for services not received
  - Providing a service; billing for a more expensive procedure- Up coding
  - Double billing
- ▶ Unknown person at shopping mall or a phone call!
  - Misrepresentation – Claiming to be Medicare or that Medicare wants a person to have a certain service (capping)
- ▶ Employee at Nursing Home, Clinic
  - Sells Medicare #s to organized crime units

# Durable Medical Equipment (DME)

- ▶ Submitting fraudulent claims to Medicare & Medicaid for DME. In many cases supplies are not provided to Medicare beneficiaries, not ordered by physicians, and not medically necessary.
- ▶ Why?
  - Little to no vetting
  - Medicare reimbursed suppliers on old fee schedules
- ▶ Outcome:
  - Billing Medicare with improper coding – claims denied by Medicare – beneficiaries in collection.
  - Beneficiary's responsibility to rectify situation.

- ▶ Medicare showed she had a wheelchair on her record.
- ▶ Medicare denied her claim for Rx.
- ▶ It took several months to have her record cleared.



# Ambulance Transportation Service

- ▶ Providing non-emergency ambulance transportation services to Medicare beneficiaries whose medical condition does not require those services.
- ▶ Why?
  - Beneficiaries, etc. do not understand Medicare coverage rules.
  - Mis-coding is easy.
- ▶ Outcome:
  - Billing Medicare with improper coding – claims denied by Medicare – beneficiaries in collection.
  - Beneficiary's responsibility to rectify situation.

# Hospice

- ▶ Billing Medicare for patients that are ineligible for the hospice benefit.
- ▶ Pervasive in Skilled Nursing Facilities (SNF)
- ▶ Why?
  - Lack of regulation.
  - Easy to prey on uninformed beneficiaries and their families.
- ▶ Outcome:
  - SNF patients are often unaware they under hospice benefit.  
OR Have a misunderstanding of the Hospice benefit.
  - Beneficiary is not directly affected negatively, but Medicare pays \$\$.

# The face of Home Health Fraud

- ▶ Social worker
- ▶ Worked through several home health agencies.
- ▶ Did bookkeeping, cleaned cabinets, played cards.
- ▶ Submitted claims for all of these activities to Medicare but coded as Medicare-covered services.



# Step 1: PROTECT

▶ Your Medicare card is your healthcare card

▶ Protect it like you do your credit card



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# Step 2: DETECT

- ▶ Your Medicare Summary Notice is a statement of what Medicare paid to providers who billed your Medicare Number.
- ▶ Read it carefully
- ▶ Report suspicious charges.
- ▶ [mymedicare.gov](http://mymedicare.gov)
- ▶ View claims information, get quality information about your providers, and more.

**1**  **4**

## Medicare Summary Notice for Part B (Medical Insurance)

The Official Summary of Your Medicare Claims from the Centers for Medicare & Medicaid Services

JENNIFER WASHINGTON  
TEMPORARY ADDRESS NAME  
STREET ADDRESS  
CITY, ST 12345-6789

Page 1 of 4

**THIS IS NOT A BILL**

**2** **Notice for Jennifer Washington**

Medicare Number	XXX-XX-1234A
Date of This Notice	March 1, 2013
Claims Processed Between	January 1 – March 1, 2013

**3** **Your Deductible Status**

Your deductible is what you must pay for most health services before Medicare begins to pay.

**Part B Deductible:** You have now met **\$85.00** of your **\$147.00** deductible for 2013.

**Be Informed!**

Welcome to your new Medicare Summary Notice! It has clear language, larger print, and a personal summary of your claims and deductibles. This improved notice better explains how to get help with your questions, report fraud, or file an appeal. It also includes important information from Medicare!

**5** **Your Claims & Costs This Period**

Did Medicare Approve All Services?	NO
Number of Services Medicare Denied	1

See claims starting on page 3. Look for **NO** in the "Service Approved?" column. See the last page for how to handle a denied claim.

**Total You May Be Billed** **\$90.15**

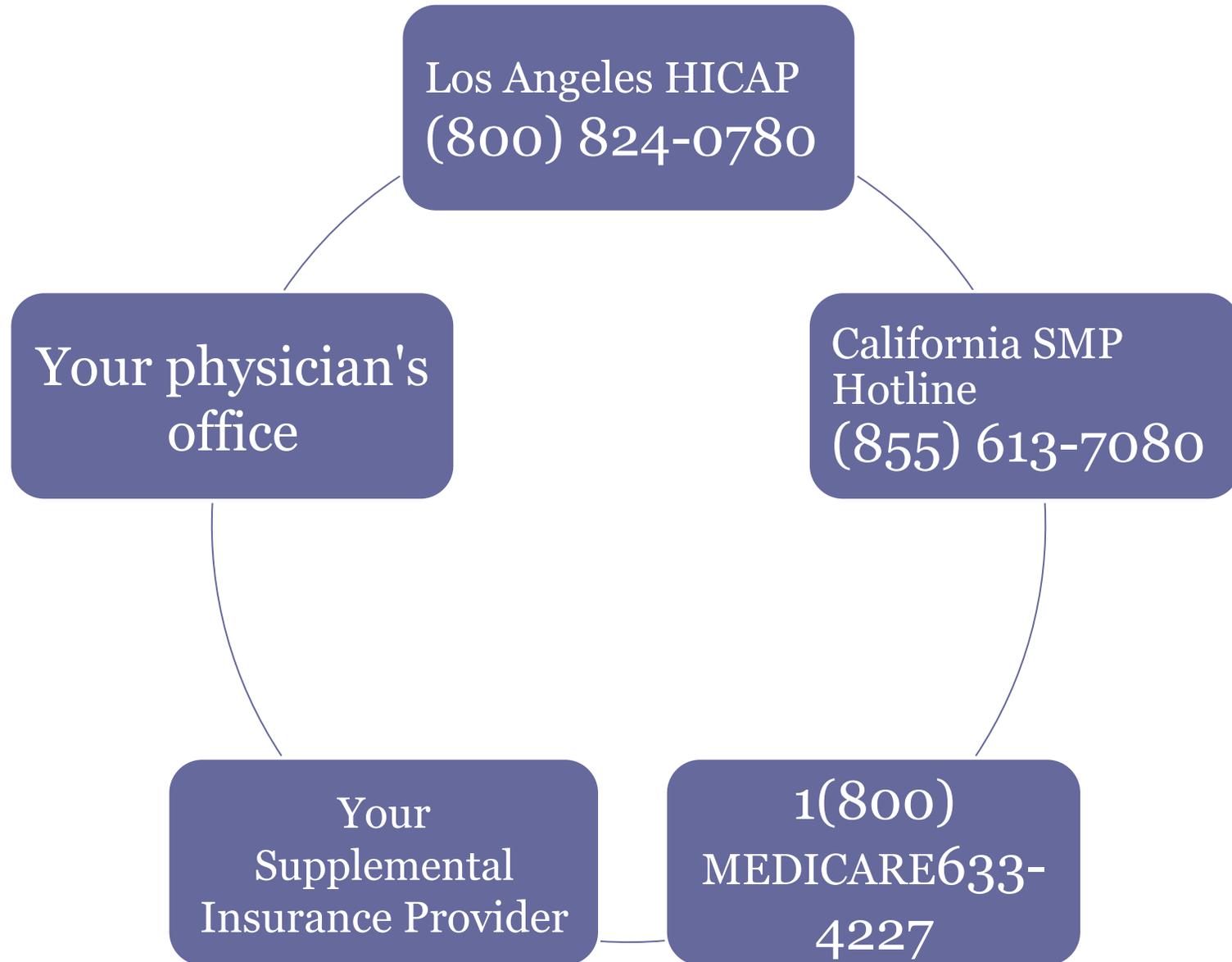
**6** **Providers with Claims This Period**

January 21, 2013  
Craig I. Secosan, M.D.

**7**

¿Sabía que puede recibir este aviso y otro tipo de ayuda de Medicare en español? Llame y hable con un agente en español.  
如果需要英语帮助, 请致电联邦医疗保险, 请先说“agent”, 然后说“Mandarin”. 1-800-MEDICARE (1-800-633-4227)

# Step 3: REPORT FRAUD





# California Senior Medicare Patrol Hotline California SMP Hotline (855) 613-7080

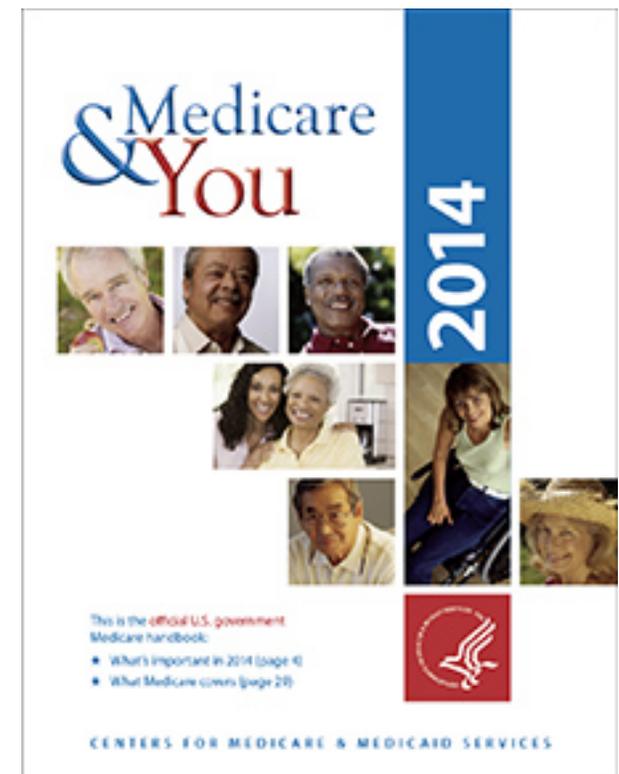
## **Be prepared with the following information:**

1. Description of the situation.
2. Name of provider(s) involved.
3. Name of Beneficiary(s) involved.
4. Supporting Documentation such as MSNs and EOBs, etc.

## Do's of Medicare & Medi-Cal

- **DO** talk to your doctor if you need health care services. Your doctor should order any services or supplies that you need.
- **Do** ask questions. You have a right to know everything about your medical care including the costs billed to Medicare.
- **Do** keep an accurate record of all your doctor, specialist and therapy visits.

- **DO** educate yourself about Medicare. Know your rights and know what a provider can and can't bill to Medicare.
- **DO** make sure you understand how a plan works before you join.
- **DO** Call Health Insurance Counseling & Advocacy Program (HICAP) for Los Angeles County.  
**(800)-824-0780**



## DON'TS of Medicare & Medi-Cal

- **DON'T** sign forms without reading them, and never sign blank forms. If someone pressures you to sign a form that you do not understand, just say “no.”
- **DON'T** accept health care services or equipment that you do not need.
- **DON'T** give anyone your Medicare, Medicaid, or Social Security numbers in exchange for “free” services.

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- **DON'T** give out your personal medical or identifying information over the phone. **Medicare will never call you!**
  - **DON'T** be influenced by certain media advertising about your health. Many television and radio ads don't have your best interest at heart.



**REPORT MEDICARE FRAUD -  
IT JUST TAKES ONE ...**

# Home Health Agency Owner Sentenced for Role in \$11 Million Detroit Medicare Fraud Scheme

- ▶ According to evidence presented at trial, Gupta and his co-conspirators caused the submission of false and fraudulent claims to Medicare through All American and Patient Choice, another Oak Park-based home health care company, which purported to provide skilled nursing and physical therapy services to Medicare beneficiaries in the greater Detroit area.



## Disbarred Attorney Pleads Guilty to Role in \$28.3 Million Medicare Fraud Scheme

- ▶ According to documents filed in the case, Grishkoff and her co-conspirators used various physical therapy clinics and other business entities throughout Florida and elsewhere to submit approximately \$28.3 million in fraudulent reimbursement claims to Medicare from 2005 through 2009. Medicare paid approximately \$14.4 million on those claims.

## Owners & Supervisor of Ambulance Transportation Company Plead Guilty in Los Angeles for Roles in Fraud Scheme

- ▶ According to court documents, Kapri, Muratov, and Medina knowingly provided non-emergency ambulance transportation services to Medicare beneficiaries whose medical condition at that time did not require those services.
- ▶ With Kapri's knowledge, Muratov and Medina instructed certain Alpha employees to conceal the Medicare beneficiaries' medical conditions by altering requisite paperwork and creating fraudulent reasons that justified, on paper, the transportation services.

# References

- ▶ California Health Advocates- SMP Program
  - <http://www.cahealthadvocates.org/index.html>
- ▶ Federal Trade Commission
  - <http://www.consumer.ftc.gov/articles/0171-medical-identity-theft>
- ▶ Office of Inspector General- Department of Health & Human Services
  - <https://oig.hhs.gov/fraud/medical-id-theft/>
- ▶ FBI
  - [http://www.fbi.gov/about-us/investigate/white\\_collar/health-care-fraud](http://www.fbi.gov/about-us/investigate/white_collar/health-care-fraud)