Fraud Trends & Emerging Issues

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Presentation to IL Senior Medicare Patrol
Overview

• Fraud Trends

• Specialty Areas of Concern

• Strike Force Accomplishments

• How to Detect and Report Fraud & Abuse
MEDICARE

• A Federally funded health insurance program for individuals 65 or older, with certain disabilities or end stage renal disease.

• Consists of 4 “Parts”
  – Part A – Hospital Insurance (inpatient)
  – Part B – Medical Insurance (outpatient and medical equipment)
  – Part C – Medicare Advantage (managed care plans)
  – Part D – Prescription Drug Coverage
MEDICAID

• A joint federal and state health insurance program for individuals with limited income. Administered individually by the states.

• Includes benefits not otherwise covered by Medicare (nursing home care and personal care services).

• Usually involves a 50 to 75 percent contribution by the federal government.

• A beneficiary can be “dual eligible” (Medicare & Medicaid).
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<th>CY 2016</th>
<th>CY 2017</th>
<th>CY 2018</th>
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<tr>
<td><strong>Medicare (avg monthly)</strong></td>
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<td>Parts A and/or B</td>
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<td><strong>Medicaid (avg monthly)</strong></td>
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<td>Children</td>
<td>28.1</td>
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1 in 3 Americans
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<th>(in millions)</th>
<th>(in billions)</th>
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<tbody>
<tr>
<td>Total Parts A&amp;B</td>
<td>34.8</td>
<td>$368.7</td>
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<tr>
<td>Part D</td>
<td>40.5</td>
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PATIENTS SERVED 2016

Part A (Total 7.7 million)

Inpatient Hospital: 6.6
Skilled Nursing: 1.8
Home Health: 1.6
Hospice: 1.4

Part B (Total 34.2 million)

Physician/DME: 33.7
Outpatient: 25.7
Home Health Agency: 2.0
PART A & B PAYMENTS 2016

Part A (Total $185.5 billion)

- Inpatient Hospital, $133.4 billion
- Skilled Nursing Facility, $28.4 billion
- Hospice, $16.8 billion
- Home Health Agency, $6.9 billion

Part B (Total $183.2 billion)

- Physician/DME, $103.8 billion
- Outpatient, $68.2 billion
- Home Health Agency, $11.3 billion

Total Program Payments, $368.7 billion
Chicago Regional Office

• Part D- Opioids
• HHA – Chicago and Detroit, very aggressive recruiting, “mobile physicians”, kickbacks all around.
• Adult Day Care /Licensed Social workers – Individual & group psychotherapy not provided
• SNFs – neglect & services not rendered
• Medicaid – Dental Fraud
PATIENT NEGLECT & FAILURE OF CARE

• Neglect versus Failure of Care
• Neglect:
  – Illinois Department of Public Health's Nursing Home Complaint Hotline: 1-800-252-4343
  – IL Dept. of Public Health: Central Complaint Registry Hotline – 800-252-4343
Failure of Care

• Different than abuse and neglect
• Services that are so deficient that they were effectively worthless.
  – understaffing, most commonly nurses and aides
  – Lack of wound care
  – Lack of fall prevention
  – Lack of catheter care
  – Lack of food, medication, supplies
$38 million settlement in the fall of 2014
5 year CIA
Substandard nursing services
Insufficient number of skilled nurses
Medically unreasonable and medically unnecessary rehab/therapy services
PART A PROVIDERS

• HOSPITALS
• HOME HEALTH AGENCIES
• SKILLED NURSING FACILITIES
• HOSPICE
• CRITICAL ACCESS HOSPITALS
• RENAL DIALYSIS FACILITIES
• RURAL HEALTH CLINICS
HOME HEALTH SERVICES

• WOUND CARE FOR PRESSURES SORES OR A WOUND
• PATIENT & CAREGIVER EDUCATION
• INTRAVENOUS OR NUTRITION THERAPY
• INJECTIONS
• MONITORING SERIOUS ILLNESS OR UNSTABLE HEALTH CONDITIONS
• SKILLED NURSING CARE
• HOME HEALTH AIDE / W SKILLED NURSING
• PHYSICAL THERAPY
• OCCUPATIONAL THERAPY
• SPEECH THERAPY
MEDICARE DOES NOT PAY FOR...

• 24 HOUR A DAY CARE AT HOME
• MEAL DELIVERY & MEAL PREPARATION
• HOME MAKER SERVICES ONLY
• PERSONAL CARE ONLY (Medicaid covers)
HOME HEALTH REQUIREMENTS

• PATIENT MUST BE CONFINED TO THE HOME

• CARE IS ORDERED BY A PHYSICIAN

• SKILLED NURSING SERVICES ARE REQUIRED

• SERVICES MUST BE REASONABLE & NECESSARY
HOME HEALTH CARE

• THE PATIENT’S PCP OR TREATING PHYSICIAN WILL DECIDE IF THE PATIENT NEEDS HOME HEALTH CARE

• THE PATIENT DECIDES WHICH HOME HEALTH COMPANY TO USE
HOME HEALTH FRAUD INDICATORS

• WHEN HOME HEALTH SERVICES WERE NOT ORDERED BY A PATIENT’S PCP

• THE PATIENT IS “MARKETED” TO BY THE HOME HEALTH COMPANY OR MARKETING COMPANY
HOME HEALTH

- Medicare pays providers for a 60 day episode

- Outcome Assessment Information Set (OASIS) specific items are assessed for a home health patient

- Measures patient outcomes to identify improvement
HOME HEALTH FRAUD SCHEMES

• KICKBACKS FOR PATIENTS

• EXTENDING MULTIPLE EPISODES OF CARE

• MEDICALLY UNNECESSARY SERVICES

• SERVICES NOT RENDERED
KICKBACKS CAN LEAD TO...

- OVERUTILIZATION
- INCREASED COSTS
- CORRUPT MEDICAL DECISION MAKING
- PATIENT STEERING
PERPETUAL HOME HEALTH CARE

- PERPETUAL BILLED FOR HOME HEALTH SERVICES NOT RENDERED

- PATIENTS WHO RECEIVED CARE FROM OTHER HOME HEALTH COMPANIES WERE STOLEN BY JOHN GABRIEL

- PATIENTS NEITHER QUALIFIED NOR NEEDED HOME HEALTH
PERPETUAL OUTCOME

• JACINTO “JOHN” GABRIEL WAS SENTENCED TO 10 YEARS INCARCERATION FOR CONSPIRACY TO COMMIT HEALTH CARE FRAUD ON APRIL 17, 2015. HIS RESTITUTION WAS SET AT $21,750,000.

• JASSY GABRIEL WAS SENTENCED TO FOUR YEARS, 10 MONTHS INCARCERATION. HIS RESTITUTION WAS SET AT $19,000,000.

• STELLA LUBATON WAS SENTENCED TO 5 YEARS & $19,000,000 SET FOR RESTITUTION.
• RENT PAYMENTS AND MEDICAL DIRECTORSHIPS WERE CREATED UNDER THE GUISDE OF PAYING FOR KICKBACKS (PATIENT REFERRALS) TO SACRED HEART HOSPITAL.
• EDWARD NOVAK, CEO & OWNER – 4.5 YEARS IN PRISON AND OVER $10 MILLION IN FORFEITURE;

• CLARENCE NAGELVOORT, FORMER COO – 21 MONTHS IN PRISON AND OVER $8 MILLION IN FORFEITURE;

• ROY PAWAWAL, CFO – 1 YEAR AND 1 DAY IN PRISON AND OVER $10 MILLION IN FORFEITURE
• UNLICENSED STAFF CONDUCTING THERAPY
• GROUP THERAPY BILLED AS INDIVIDUAL THERAPY
• THERAPY PROVIDED IS NO BENEFIT FROM SERVICE
• SHORT SESSIONS BILLED USING THE HIGHEST CODE
MEDICAID – DENTAL FRAUD

- HHS-OIG AND THE FBI RECEIVE A COMPLAINT FROM BLUE CROSS / BLUE SHIELD
- PATIENT LISTS PURCHASED, AND DENTAL SERVICES BILLED THAT WERE NEVER PROVIDED
- THE BUSINESSES BILLING THESE SERVICES ARE STOREFRONTS – COSMETIC SHOPS, ETC.
- ONE MAIN SUBJECT INVOLVED – HAS BEEN PAID OVER $1 MILLION.
• THE MAIN SUBJECT HAS BEEN ARRESTED
• AN INDICTMENT IS FORHTCOMING
1 in 10 beneficiaries received opioids on a regular basis.

HALF A MILLION
Part D beneficiaries received HIGH AMOUNTS of opioids in 2016.
Here’s an example of a beneficiary receiving extreme amounts of opioids:

A beneficiary in NY received 62 opioid prescriptions for fentanyl and oxycodone in one year.

That’s more than 1 prescription per week.
• In 2016, there were over 42,000 opioid-related overdose deaths in the U.S. – 115 deaths per day.
• Seniors are not immune – this is not a problem afflicting only the young.
• Current investigation
• Risks for seniors
Medicare Fraud Strike Force teams are a multi-agency effort (between HHS OIG, DOJ, USAO, FBI and local law enforcement) to combat Medicare fraud.

- Strike Force Efforts (As of May 2017)
  - Charges against over 2,326 individuals
  - More than $2.5 billion in false billing
  - 1,791 initiated criminal actions
• 21 DEFENDANTS CHARGED
• 11 NORTHERN DISTRICT OF IL
• 10 STRIKE FORCE
• NEVER PROVIDE YOUR SOCIAL SECURITY NUMBER, MEDICARE NUMBER, OR PERSONAL BANK ACCOUNT INFORMATION TO ANYONE WHO CALLS YOU ON THE TELEPHONE OR COMES TO YOUR DOOR.
DETECT & DETER FRAUD

• Review your explanation of benefits (EOBs) and if you have questions, call the medical providers and ask.
  – Keep a calendar of your medical visits & who you saw
  – Unbundling

• Ask why tests are being ordered.

• Always get a second opinion for anything major

• Nothing is free...
DO NOT ACCEPT HOME HEALTH SERVICES OR MEDICAL EQUIPMENT OFFERED TO YOU BY STRANGERS, ESPECIALLY IF YOU ARE OFFERED MONEY OR OTHER INCENTIVES FOR ACCEPTING.

IF YOU NEED SERVICES, CARE OR MEDICAL EQUIPMENT, CONTACT YOUR OWN DOCTOR.
DETECT & DETER FRAUD

BEWARE OF ANYONE WHO TELLS YOU THAT MEDICARE SENT THEM.

MEDICARE DOES NOT SELL ANYTHING AND DOES NOT ASK PROVIDERS TO CONTACT PATIENTS ABOUT SERVICES.
• DON’T BE FOOLLED BY OFFERS FOR “FREE” SERVICES OR MEDICAL EQUIPMENT IN EXCHANGE FOR YOUR HEALTH INSURANCE OR MEDICARE NUMBER.
REPORT FRAUD

• SERVICES OR PRODUCTS NOT RECEIVED
• HOME HEALTH SERVICES FOR PATIENTS NOT CONFINED TO THE HOME
• ADULT DAYCARE AS PSYCHOTHERAPY TREATMENT
• MEDICAL EQUIPMENT OR SERVICES THAT DO NOT MEET MEDICARE GUIDELINES
REPORT FRAUD

- Online: oig.hhs.gov/fraud/hotline
- Phone: 1-800-447-8477 (1-800-HHS-TIPS)
- TTY: 1-800-377-4950 | FAX: 1-800-223-8164
- To learn more about medical identity theft visit:
  - www.medicare.gov/fraud