



# FRAUD, WASTE AND ABUSE ROADMAP


# FRAUD, WASTE AND ABUSE

From the Office of the Inspector General

The [Office of the Inspector General \(OIG\)](#) has created [free educational materials](#) to assist in teaching physicians about the federal laws designed to protect Medicaid and Medicare programs and program beneficiaries from fraud, waste and abuse.

[The speaker note set](#) (PDF), which will assist you in giving the PowerPoint presentation.

# A Roadmap for New Physicians



**Avoiding Medicare  
and Medicaid Fraud  
and Abuse**

## A Roadmap for New Physicians

### Avoiding Medicare and Medicaid Fraud and Abuse



Office of Inspector General  
U.S. Department of Health & Human Services

Health care fraud  
is a serious problem





Fraud includes obtaining a benefit through intentional misrepresentation or concealment of material facts

Waste includes incurring unnecessary costs as a result of deficient management, practices, or controls

Abuse includes excessively or improperly using government resources



**Physicians ensure quality medical care**

# Fraud and Abuse Laws

- False Claims Act
- Anti-Kickback Statute
- Physician Self-Referral Statute
- Exclusion Statute
- Civil Monetary Penalties Law





# False Claims Act

A person wearing a dark grey or black suit jacket is shown from the back, with their right hand tucked behind their back. The person's face is not visible. The background is plain white.

**Prohibits the  
submission of false  
or fraudulent claims  
to the Government**



**Deliberate ignorance**

# Incentives to report fraud



# Anti-Kickback Statute



**Prohibits asking for or receiving anything of value in exchange for referrals of Federal health care program business**

# Anti-Kickback Statute

Prohibited kickbacks include:

- Cash for referrals
- Free rent for medical offices
- Excessive compensation for medical directorships



# Kickbacks can lead to:

- Overutilization
- Increased costs
- Corruption of medical decisionmaking
- Patient steering
- Unfair competition



# Penalties for Kickbacks



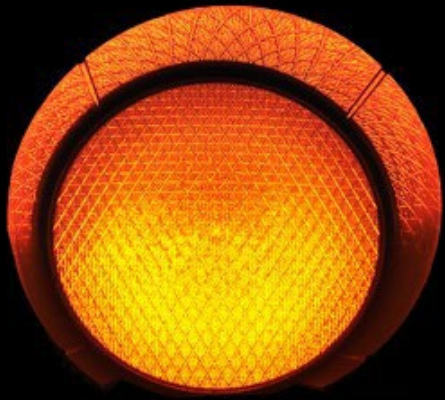
**Fines**

**Prison  
Time**

**Program Exclusion**



**Waiving copayments  
routinely**



**Waiving copayments on a  
case-by-case basis for  
financially needy**



**Providing free or  
discounted services to  
uninsured patients**



# Physician Self-Referral Statute

Limits physician referrals  
when you have a financial  
relationship with the entity





# Consequences of violating the Physician Self-Referral Statute:

- Payment denial
- Monetary penalties
- Exclusion



Avoid violating the Anti-Kickback Statute and Physician Self-Referral Statute by fitting into a “safe harbor” or exception

# Exclusion from Medicare and Medicaid



- Mandatory exclusions
- Permissive exclusions



# Civil Monetary Penalties Law

Penalties range from \$10,000 to \$50,000 per violation

A doctor in a white lab coat is holding a clipboard. The doctor has a stethoscope around their neck. The background is a file cabinet with many folders. The text "Common Physician Relationships" is overlaid on the clipboard.

**Common  
Physician  
Relationships**



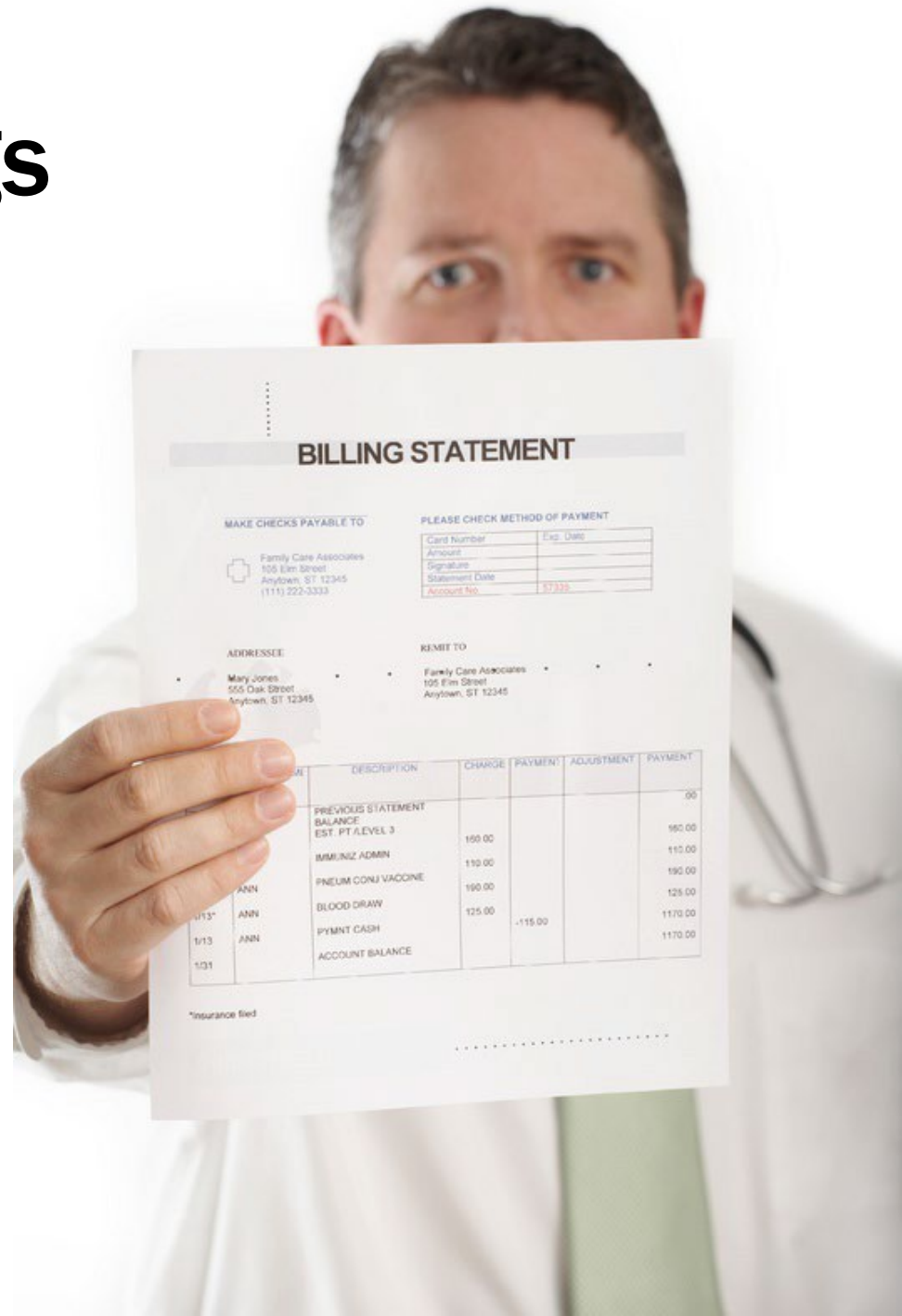
- Payers
- Physicians/Providers
- Vendors

# Anti-fraud laws protect Medicare and Medicaid





# Fraudulent billings result in stiff penalties



## BILLING STATEMENT

### MAKE CHECKS PAYABLE TO

Family Care Associates  
105 Elm Street  
Anytown, ST 12345  
(111) 222-3333

### PLEASE CHECK METHOD OF PAYMENT

Card Number	Exp. Date
Amount	
Signature	
Statement Date	
Account No.	17335

### ADDRESSEE

Mary Jones  
555 Oak Street  
Anytown, ST 12345

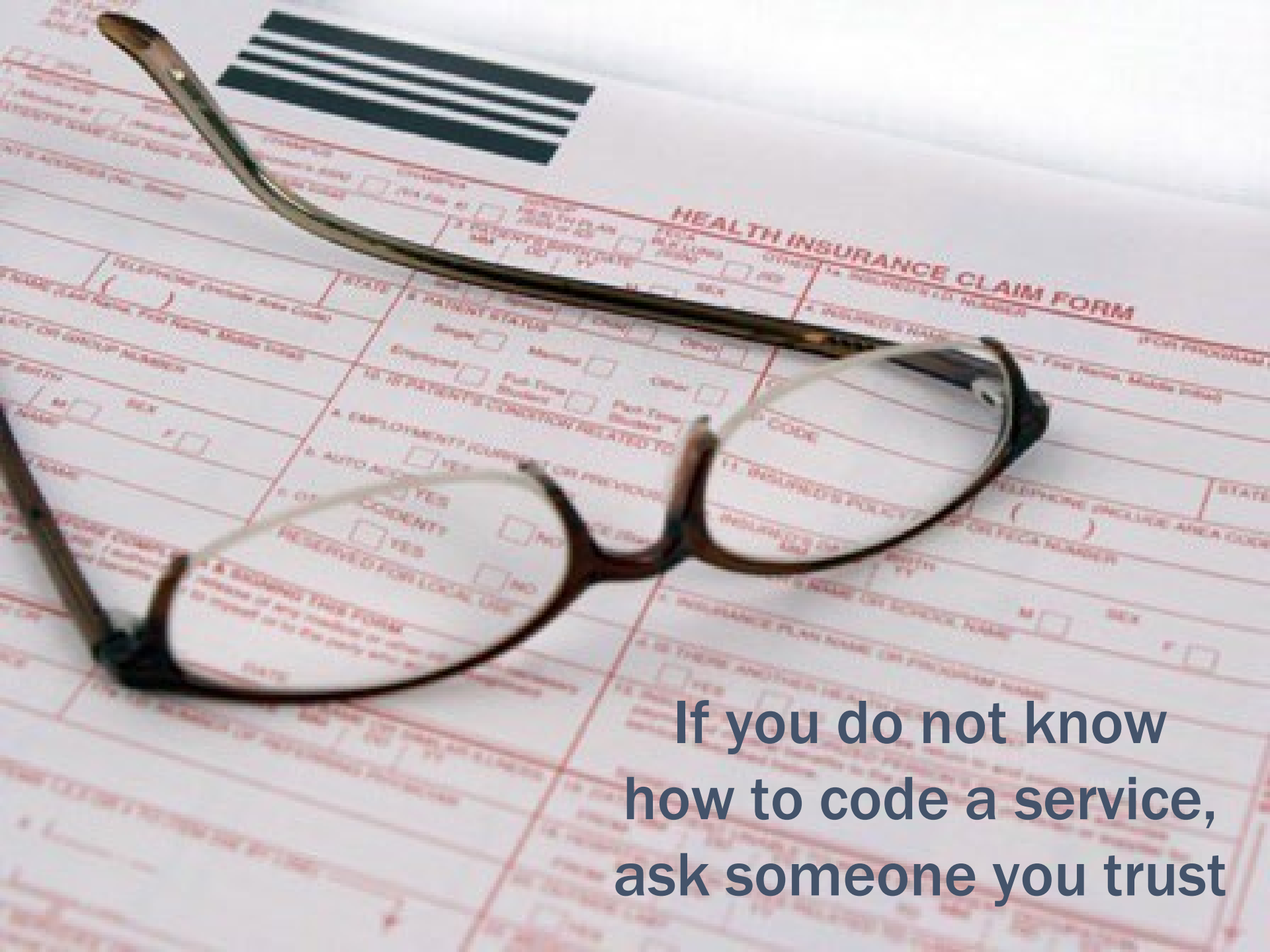
### REMIT TO

Family Care Associates  
105 Elm Street  
Anytown, ST 12345

DATE	DESCRIPTION	CHARGE	PAYMENT	ADJUSTMENT	PAYMENT
	PREVIOUS STATEMENT BALANCE				.00
	BALANCE EST. PT A LEVEL 3	150.00			150.00
	IMMUNIZ ADMIN	110.00			110.00
	ANN PNEUM CONJ VACCINE	190.00			125.00
1/13	ANN BLOOD DRAW	125.00	-115.00		1170.00
1/13	ANN PYMNT CASH				1170.00
1/01	ACCOUNT BALANCE				

\*Insurance filed

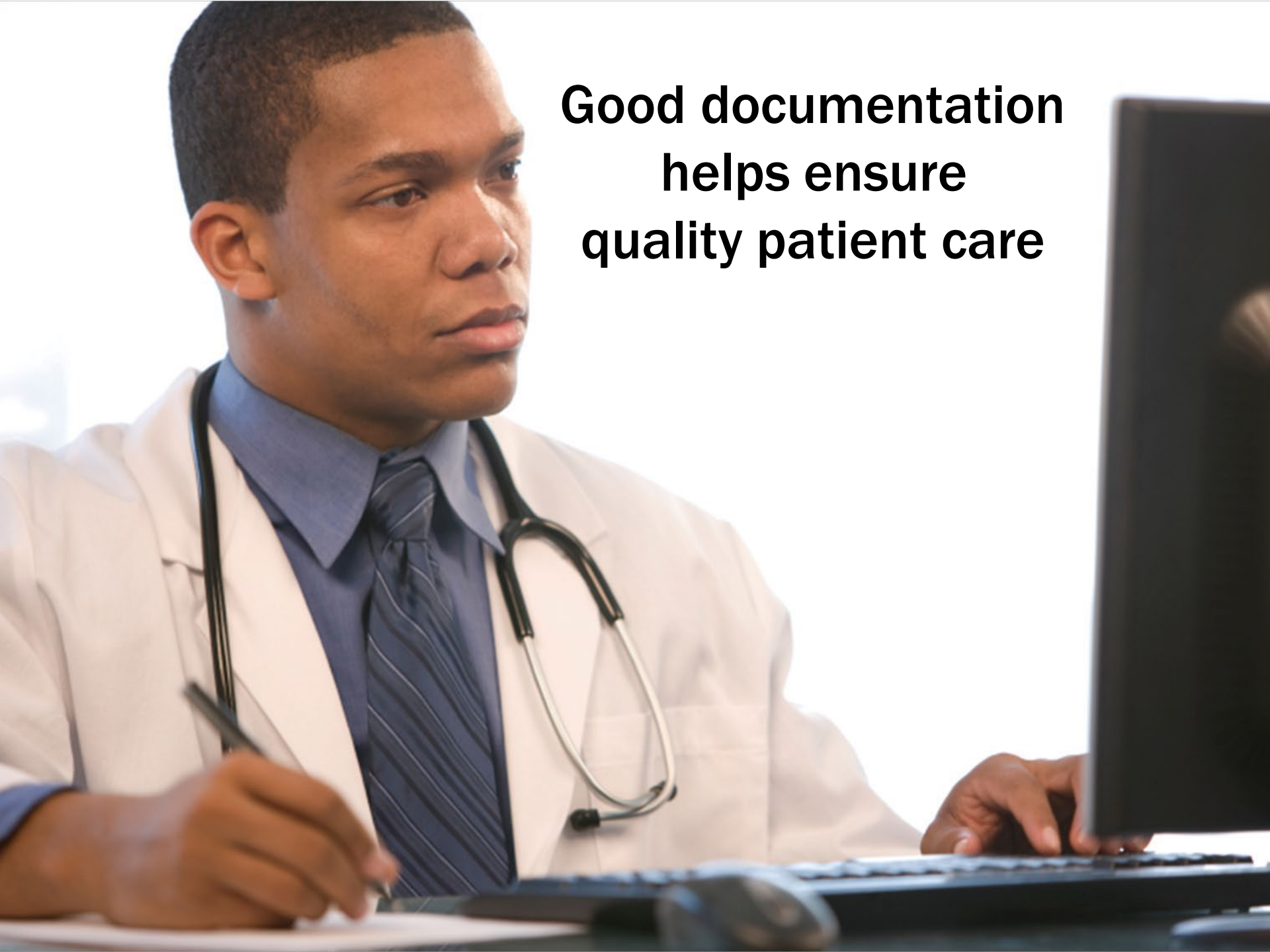




**If you do not know  
how to code a service,  
ask someone you trust**



**Accurate medical records are critical**

A male doctor with short dark hair, wearing a white lab coat over a blue collared shirt and a blue striped tie. He has a stethoscope around his neck. He is sitting at a desk, looking towards a computer monitor on the right. His right hand is on the keyboard, and his left hand is holding a pen over a document. The background is bright and out of focus.

**Good documentation  
helps ensure  
quality patient care**

# Participating Physicians...



- **May not overcharge Medicare beneficiaries**
- **May not sell the same service twice**

# Future Business Relationships

*Colleagues*

*Hospitals*

*Nursing Homes*





# PATIENT ENTRANCE

**Admit patients to the hospital that best serves their medical needs**



**Stay Alert!**



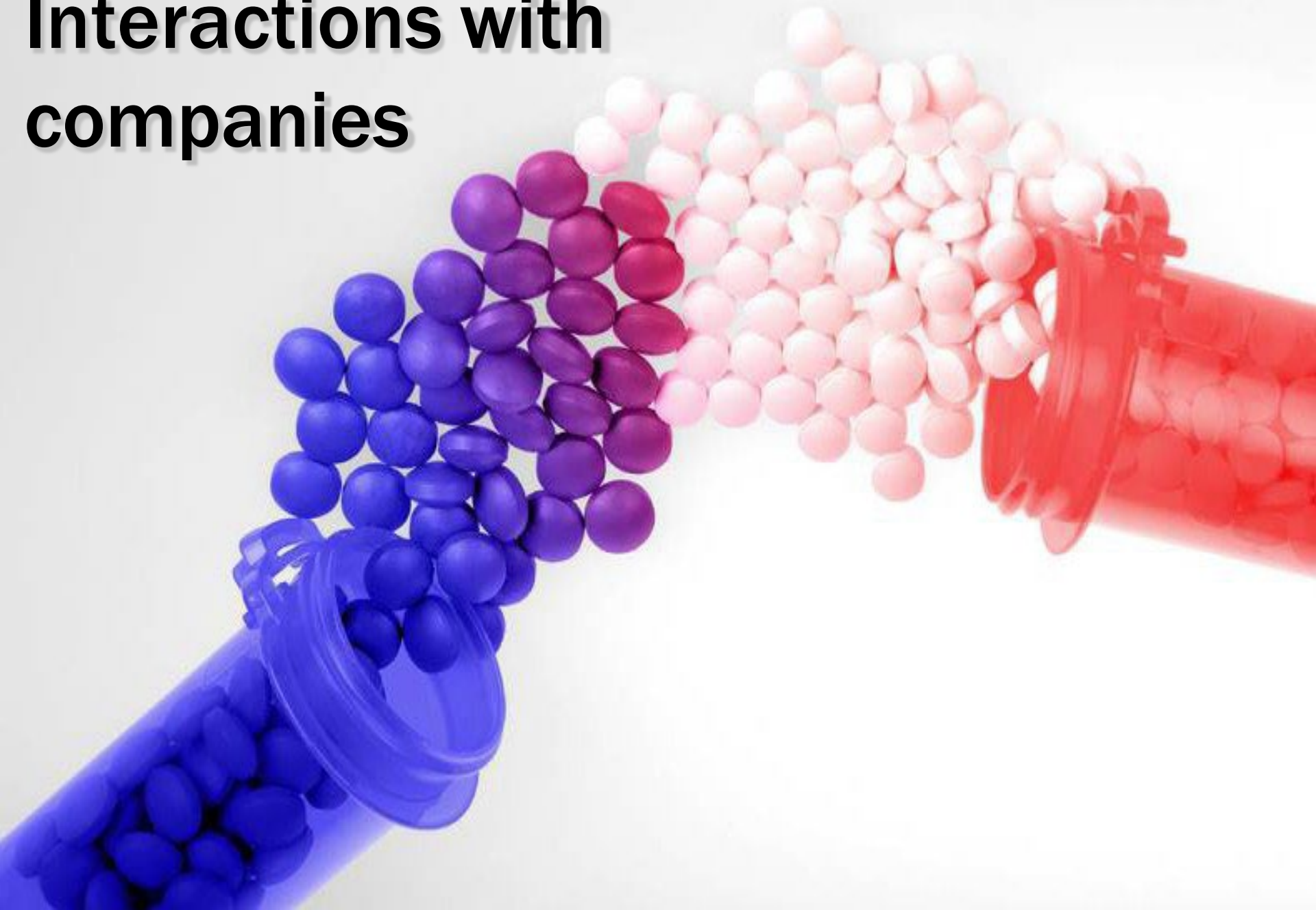
**Recruitment  
offers can  
cross the line**





**Medical directors  
should exercise  
substantive  
responsibility**

# Interactions with companies





**It is illegal to sell  
free samples**

**Scrutinize  
promotional  
speaking or  
consulting  
opportunities**





**Is the arrangement  
legitimate?**

# Gift reporting requirements







**Compliance programs  
keep you on track**



**What to do  
when you  
need help**

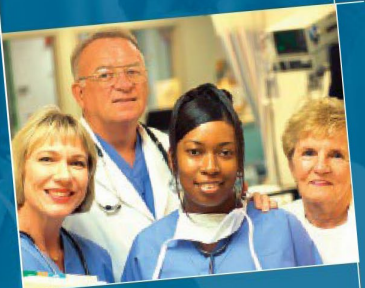
# Medicare Program Integrity Manual

## Chapter 1 - Medicare Improper Payments: Measuring, Correcting, and Preventing Overpayments and Underpayments

Table of Contents  
(Rev. 313, 11-20-09)

Medicare Physician Guide

### A Resource for Residents, Practicing Physicians, and



Other Health Care Professionals



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General

OIG Compliance Program for Individual and Small Group Physician Practices

AGENCY: Office of Inspector General (OIG), HHS.

ACTION: Notice.

**SUMMARY:** This Federal Register notice sets forth the recently issued Compliance Program Guidance for Individual and Small Group Physician Practices developed by the Office of Inspector General (OIG). The OIG previously developed and published a voluntary compliance program guidance focused on several other areas of the health care industry. We believe that the development and issuance of this voluntary compliance program guidance for individual and small group physician practices will serve as a positive step toward providers in preventing the submission of erroneous claims or engaging in unlawful conduct involving health care programs.

Background

The creation of



## Special Fraud Alert

RENTAL OF SPACE IN PHYSICIAN OFFICES BY PERSONS OR ENTITIES TO WHICH PHYSICIANS REFER

Proposed Rules

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Office of Inspector General

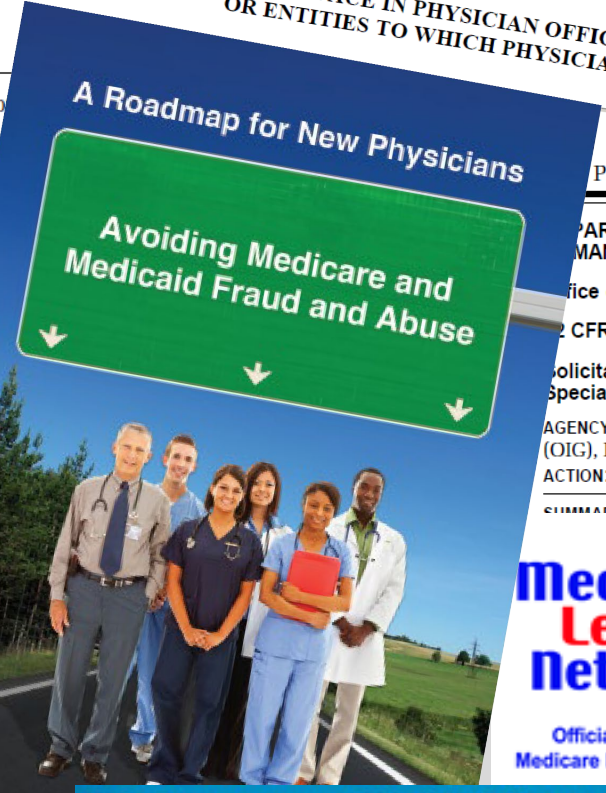
2 CFR Part 1001

Solicitation of New Safe Harbors and Special Fraud Alerts

AGENCY: Office of Inspector General (OIG), HHS.

ACTION: Intent to develop regulations

**SUMMARY:** In accordance with section



Official CMS Information for Medicare Fee-For-Service Providers

U.S. Department of Health & Human Services  
Office of Inspector General

U.S. Department of Health & Human Services

**CMS** Centers for Medicare & Medicaid Services

Home | Medicare | Medicaid | CHIP | About CMS | Regulations & Guidance | Newsroom

People with Medicare & Medicaid | Questions | Careers

[OIG.HHS.GOV/Recovery](http://OIG.HHS.GOV/Recovery) Stop Medicare Fraud

### Quick Links

- Exclusions Program
- Online Exclusions Database
- News Room
- Fight Back Against Medical Identity Theft
- Self-Disclosure Information
- Enforcement Actions

[Regulations & Guidance](#)

- Manuals
- Attals
- Unda



## Report Fraud, Waste & Abuse

Anonymous Options

**Call:** 1-800-488-0134

**Fax:** 1-800-418-0248

Non-Anonymous Option

**Write:** CareSource

Attn: Special Investigations Unit

P.O. Box 1940

Dayton, OH 45401-1940

**Email:** [fraud@CareSource.com](mailto:fraud@CareSource.com)

<https://www.caresource.com/oh/providers/education/fraud-waste-abuse/medicaid/>

OH-Multi-P-3452351