

## MODULE 11: NEW YORK STATE SENIOR MEDICARE PATROL (SMP) – HEALTH CARE ANTI-FRAUD, WASTE AND ABUSE

### Project Goals

- Empowering Seniors to Prevent Healthcare Fraud.
- To raise awareness of and prevent Medicare and Medicaid Fraud and Abuse.
- To ensure that beneficiaries of these programs receive both quality care and appropriate services.
- Protect, Detect and Report

### Training Objectives

As a result of this training session, Health Insurance Information, Counseling, and Assistance Program (HIICAP) counselors will be able to:

- Understand and describe the mission of SMP.
- Understand and explain healthcare fraud and abuse.
- Provide information to identify and report health care fraud and abuse including SMP's toll-free phone number 1-877-678-4697.
- Provide information about the existence, extent and cost of Medicare and Medicaid fraud and abuse.
- Educate the community to protect, detect and report health care fraud and abuse.
- Understand how National Government Services tracks, develops, and reports on allegations of fraud and abuse received as a result of SMP awareness.

### Overview

SMP is a long-term initiative to fight fraud and abuse in Medicare and Medicaid. It officially started on April 1, 1995 as a two-year demonstration project that developed innovative ways to fight fraud, waste, error and abuse in the five states with the largest Medicare and Medicaid benefit payments. The five states included in the initial demonstration were New York, California, Illinois, Florida, and Texas. These states together accounted for 33 percent of all people with Medicare and 38 percent of all Medicare payments in the United States. The five targeted states contained 38 percent of all Medicaid recipients and 41 percent of all Medicaid payments in the United States.

SMP represents the introduction of the partnership model in fighting fraud and abuse in Medicare and Medicaid. SMP established alliances with the New York State's Department of Health, Office of Children and Family Services, Attorney General's Office, Division of Criminal Justice, Office of the Comptroller, Medicaid Inspector General, Department of Financial Services, and the Medicare contractors and carriers. Partnerships establish methods for more efficient, global volunteer efforts; and they ensure advocacy with a unified voice for policy improvements in the State's health care system, including solutions for health care system problems.

SMP also combines the efforts of three agencies within the U.S. Department of Health and Human Services—the Centers for Medicare & Medicaid Services (CMS), the Administration on Aging (AoA), and the Office of Inspector General (OIG)—and several other federal agencies, including the

Department of Justice (DOJ), the Federal Bureau of Investigation (FBI), United States Attorney's Offices and Medicare contractors.

SMP continues to exist as a focused effort to eliminate fraud and abuse in the Medicare and Medicaid programs. SMP is designed to educate and empower the public and the aging network about how to protect, detect and report Medicare and Medicaid fraud and abuse. New York State will continue to identify, prevent and eliminate fraud and abuse in the Medicare and Medicaid programs, and educate people with Medicare and the public to avoid abuse in these programs.

There are now SMP projects in every state, and Washington D.C., Puerto Rico, the U.S. Virgin Islands, and Guam.

In New York State, National Government Services has agreed to be the clearinghouse for allegations of fraud and abuse received through the efforts of SMP. If your client suspects Medicare fraud, he or she may call SMP at **1-877-678-4697**.

For additional information on SMP, to report suspected fraud or abuse or to request a speaker about Medicare and Medicaid fraud, you may also contact SMP at **1-877-678-4697**.

**Remember:** When in doubt, let Medicare check it out!

## **HOW MUCH MONEY IS LOST TO MEDICARE FRAUD AND ABUSE?**

The U. S. Office of Inspector General estimates that Medicare and Medicaid lose billions of dollars each year due to errors, fraud, waste, and abuse. Both the multiple systems for disbursing funds and the magnitude of health-care expenditures increase the probability of errors and create opportunities for fraud and abuse. The good news is that due to a joint initiative between the Department of Justice and the Department of Health and Human Services the government recovered nearly 4.2 billion taxpayer dollars in fiscal year 2012.

Fighting health care fraud and abuse saves money and protects patients. We all share a practical interest in the preservation of the Medicare program - we want Medicare to be there for us when we need it.

Remember that people with Medicare are among the most vulnerable - the elderly and the disabled.

## **WHAT IS MEDICARE FRAUD AND ABUSE AND WHAT IS THE DIFFERENCE?**

### **Fraud**

Fraud is the intentional deception or misrepresentation that an individual makes, knowing it to be false and which could result in some unauthorized benefit to him or her or another person, whether directly or indirectly, resulting in unnecessary costs to the program, improper payment, or program payment.

#### **Examples of fraud are:**

- Billing for services that were not provided
- Incorrect reporting of diagnoses or procedures to get a higher payment (upcoding)
- Billing for covered services when non-covered services were provided
- Giving or getting kickbacks, bribes, rebates

- Routinely waiving deductible or coinsurance

**It may not be fraud if:**

- A doctor took a sample or specimen and sent it to a laboratory
- Your client had X-rays and a doctor is reading the X-ray.

**Suspect fraud if:**

- Your client is offered free testing or screening in exchange for their Medicare number.
- Your client is offered free medical equipment in exchange for their Medicare number.
- A provider routinely waives the 20 percent (20%) coinsurance or the deductible amount.
- Your client is offered free goods, such as a microwave oven, television, or air conditioner in exchange for their Medicare number.
- Someone comes to your client’s door claiming to represent Medicare and offers them free services or goods in exchange for their Medicare number.
- Phone scams, including **collect calls**. The callers may identify themselves as employees of Medicare, the Social Security Administration (SSA) or a National Health Card. The caller usually is trying to get your client’s **MEDICARE** or **SOCIAL SECURITY** number and their **BANK ACCOUNT** number.

**Is this fraud?**

- Q.** You and your wife, who uses a cane, attend a free health care screening at the local mall. In return for giving the staff your Medicare numbers, you get your blood pressure tested and receive some nutritional counseling information. A week later you get a call from a supplier who tells you that Medicare will give your wife a free wheelchair. The supplier tells you, “Don’t worry, we will get Medicare to approve it, and it won’t cost you or your wife a cent.” Is this fraud?
- A.** **This is definitely a fraudulent situation. A basic rule is to NEVER give your Medicare number out in return for a “free” service. This supplier is trying to make money by providing something the person does not really need. Only your physician can legitimately write a prescription for a wheelchair or other piece of durable medical equipment. In addition, using equipment that is not necessary and ordered by a physician might lead to diminished physical capacity and stamina and could even cause harm.**
- Q.** Your neighbor spends seven days in the hospital for surgery. After he is discharged, he gets a statement from a radiologist for interpretation of X-rays while he was in the hospital. The statement says that Medicare has been billed for the service. “This is fraud!” your neighbor angrily yells, “I never saw any radiologist while I was in the hospital! I’m going to call Medicare and tell them not to pay this bill. Is the radiologist guilty of fraud?”
- A.** **There are times when physicians provide diagnostic and interpretative services to hospital patients even though the patient never sees them. If this radiologist’s bill shows services provided during the same time frame as the hospital stay, it is probably legitimate. However, as always, you should review all bills and the Medicare Summary Notice and if you have any questions call Medicare.**

## Abuse

Abuse includes practices of providers, physicians, or suppliers that are inconsistent with accepted sound medical practices or for services that fail to meet professionally recognized standards of care, or are medically unnecessary.

### Examples of abuse are:

- Unnecessary or excessive services
- Increasing charges to people with Medicare but not to other patients
- Improper billing practices:
  - Billing Medicare instead of a primary payer
  - Exceeding the limiting charge allowance

People with Medicare usually owe 20 percent (20%) of the approved amount. Not accepting assignment means the provider does not accept Medicare's approved amount as payment in full. A provider cannot, however, charge whatever he or she chooses to people with Medicare. Federal and New York State laws usually limit how much a doctor may charge in excess of Medicare's approved amount.

## WHAT CAN YOUR CLIENT DO TO HELP?

---

- Never give out their Medicare number – unless your client is SURE it is for legitimate reasons
- Protect their Medicare card as they would their credit card
- Read their Medicare Summary Notice (MSN) carefully – report any discrepancies to SMP - 1-877-678-4697.
- Keep a record of their doctor/lab appointments (National Government Services has a Monthly Personal Health Care Journal – A Record for Checking Your Health Care Statement) to compare to their MSN
- Don't be a participant! Call SMP if they suspect fraud
- Beware of offers of free services or equipment – only their provider should prescribe Durable Medical Equipment for your client
- Take special notice of MSNs from out of state – did they receive that service?
- Call Medicare if their provider bills for a covered service when a non-covered service was provided – Medicare does not pay for acupuncture or cosmetic surgery
- Beware of advertising that promises Medicare will pay for certain care or devices
- If someone comes to your client's door claiming to be from Medicare, remember that Medicare does not send representatives to their home
- Question phone calls or collect calls stating they are from Medicare, Social Security or another government office.
- If your client is offered "free" diagnostic tests, including stroke prevention studies, remember that all diagnostic tests should be ordered by their doctor
- Ask questions if:
  - your client does not understand the charges billed
  - your client does not think they received the service
  - your client feels the service was unnecessary

**Remember:** When in doubt, let SMP check it out! **PROTECT YOURSELF!**

**Fraud AND Abuse Developing**

National Government Services (NGS) develops all allegations of fraud, waste, error, and abuse received as a result of SMP. If an allegation is found to be a billing error, the claim may be adjusted and a new Medicare Summary Notice will be sent to the person with Medicare so that their records will be accurate.

If the allegation requires further investigation – all documentation will be acquired and the allegation will be sent to the Program Safeguard Contractor – SafeGuard Services, LLC whose task order is called the Eastern Benefit Integrity Support Center (EA-BISC).

**Fraud AND Abuse Tracking**

National Government Services tracks all calls received as a result of SMP on the Fraud and Abuse database – this is a protected database. Fields captured include:

- Date Received
- DCN/CCN (NGS’s internal tracking system / checks and balances)
- Date of Service
- Medicare Number
- Name
- Address
- City
- State
- ZIP Code
- County
- Provider Number
- Provider Name
- Caller Name (may not always be the person with Medicare)
- Phone Number
- Primary Language
- Origin of Allegation –
  - CSR (Medicare Call Center Customer Service Representative)
  - Fax
  - Personal phone call
  - Written Review
  - Email
  - Letter
  - HIICAP Counselor
  - NYSOFA
  - Referral
  - OIG Hotline Case
  - Medicare Rights Center
  - HIICAP Counselor
  - Congressional
  - SHIP

- LTCOP
- Physician Office
- SMP Toll-Free Number
- SMP CEE
- Referred to the PSC? (Program Safeguard Contractors (PSCs) that deal with Medicare Part A and Part B fraud or the Medicare Drug Integrity Contractor (MEDIC) that deals with Medicare Part C and Part D fraud)
  - Status –
  - Resolved
  - Transferred to other carrier
  - Money refunded to Medicare
  - Transferred to Law Enforcement
  - Transferred to SGS
  - Transferred to PSC
  - Transferred to MEDIC
  - Transferred to other agency
  - No action-lack of information
  - Beneficiary withdrew allegation
  - Educated Person with Medicare/Caller
  - Money returned to Person with Medicare
  - MMA Allegation
  - Referred to AG
  - Referred to Medicaid
  - Money refunded to Medicaid
  - Referred to other department
  - “\$299/\$389/\$89” Ring Scheme
  - Quality of Care issue
- Amount billed to Medicare
- Amount in Dispute
- Money recovered
- Case number (SMP case number, OIG hotline case number)
- Medicare Contractor number
- Remarks
- Follow Up Information
- Requested Medical Records

Tracking allegations of Fraud and Abuse received as a result of SMP allows your clients to receive status on their allegations simply by calling SMP at 1-877-678-4697. It is NOT necessary or advisable for you or your client to call 1-800-MEDICARE to report and subsequently to track fraud and abuse allegations.

**Medicare Drug Integrity Contractor (MEDIC)**

The Centers for Medicare & Medicaid Services (CMS) has partnered with a Medicare Drug Integrity Contractor (MEDIC), Health Integrity, LLC, to fight fraud, waste and abuse in the Medicare Advantage (Part C) and Prescription Drug (Part D) programs.

The MEDIC is committed to partnering with you to prevent inappropriate activity in the Medicare Part C and D programs.

The National Benefit Integrity (NBI) MEDIC, Health Integrity, handles activities such as:

- Criminal violations of law
- Kickbacks, fraud schemes
- Billing for services not rendered
- Requests for data or information to support ongoing law enforcement investigations

If you wish to report an incident of fraud, waste and abuse associated with Medicare Part C or Part D, please contact the NBI MEDIC at 1-877-7SafeRx (1-877-772-3379) to report complaints about one of these issues or a related complaint.

To protect beneficiaries against prohibited and high-pressure marketing tactics, CMS needs your help monitoring and preventing inappropriate marketing activities like these:

**Public/Marketing Sales Events**

- Plan representatives communicating incorrect information about their plan type (MAPD HMO/PPO, PDP, Special Needs Plans, etc.)
- A plan or agent using pressure tactics (for example, requiring a beneficiary to provide contact information to attend a public marketing/sales event)
- Meals served at public sales events to entice beneficiaries to enroll in a plan

**Newspaper/Print Ads**

- Ads conveying inaccurate information, using inappropriate language or absolute statements without supporting data (e.g., Plan X is the “best” or “highest ranked” plan in the nation)
- Ads missing the required material ID number and CMS approval (e.g., “Y1234\_drugx38 CMS Approved MMDDYYYY” or “H1234\_0021 File & Use MMDDYYYY”)

**Social Media Marketing (Agent Blogs, Facebook, Twitter, YouTube, etc.)**

- Steering beneficiaries into a particular plan when information on multiple plan sponsors is available
- Asking beneficiaries for banking information on social media networking sites (Facebook, Twitter, etc.)

**Note:** Social Media sites regularly ask for personal information, but NOT banking information. We’re specifically looking for people using social media to solicit personal banking information from beneficiaries.

### **Rogue Agent/Broker Behavior**

- Asking for personal or Medicare information through unsolicited telephone calls or home visits
- Marketing plans or conducting enrollments during educational events like health fairs and conferences
- Selling nonhealth-related products, like an annuity or life insurance policy, while marketing a Medicare health or drug plan

### **How to Report Suspicious Marketing Activities**

- **E-mail your CMS Regional Office SHIP (State Health Insurance Assistance Program) Liaison or CMS Regional Office DFS (Department of Financial Services) Liaison** detailing the observation or activity (who, what, where, when, and how). If it's online or in a newspaper/print ad, provide the website address or the newspaper name and date, as well as the information marketed and requested; OR
- **Complete and submit the Targeted Observation (TO) tool to your DFS Liaison.** Fill in all applicable fields and provide details of your observations. For an electronic copy of the TO tool, contact your DFS Liaison, Harold Goodwin ([Harold.Goodwin@cms.hhs.gov](mailto:Harold.Goodwin@cms.hhs.gov)) or e-mail [Surveillance@cms.hhs.gov](mailto:Surveillance@cms.hhs.gov)

### **Additional Resources**

#### **Publications:**

- *Protecting Medicare and You from Fraud* (CMS 10111) (October 2011)
- *Help Prevent Fraud - Check Your Medicare Claims Early!* (CMS 11492) (June 2011)
  - <http://www.medicare.gov/Pubs/pdf/11492.pdf>
- *You Can Help Protect Yourself and Medicare from Fraud Committed by Dishonest Suppliers* (CMS 11442) (October 2011)
- *4 R's for Fighting Medicare Fraud* (CMS 11610) (June 2012)



Protect      Detect      Report

Join the Team! Help Stop Health Care Fraud, Waste and Abuse!

National Government Services, Inc. is proud to be a part of  
New York State's SMP Workgroup.

Our goal is to fight fraud and abuse in Medicare and Medicaid and  
to maintain the integrity of these two programs.

Billions of dollars a year are lost to health care fraud.  
You **can** help stop fraud and abuse in the Medicare system!  
Read your Medicare Summary Notice carefully.

To report any suspected fraud call SMP toll-free at:  
**1-877-678-4697**

***\*\*Remember\*\****

***When in doubt, let Medicare check it out!***



[www.NGSMedicare.com](http://www.NGSMedicare.com)