Compliance Program Integrity and Fraud, Waste & Abuse

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Agenda

- United Healthcare
  * Anti-FWA Compliance Programs
  * Prevention, Detection & Correction – Examples
  * Collaborating with Government Entities
- CareSource Program Integrity
- Risk Assessment
How are we structured?

United HealthCare Program Integrity

Health Care Fraud

FRAUD. WASTE. ABUSE.

THE PROBLEM
Fraud creates:
- Higher premiums
- Higher out-of-pocket expenses
- Health and quality of care risks

FRAUD AFFECTS EVERYONE

TENS OF BILLIONS
Financial losses due to health care fraud each year
Program Integrity

Program Integrity consists of activities that focus on prevention, detection, and correction activities undertaken to minimize or prevent overpayments due to fraud.

**PREVENTION**
- Fraud prevention programs
- Claims edits
- Data analytics
- Aberrant billing pattern analysis
- Verification of excluded individuals & entities
- Drug utilization review

**DETECTION**
- Investigations
- Post-payment reviews
- Pharmacy & provider audits
- Data analytics
- Machine learning & Artificial intelligence
- Provider education

**CORRECTION**
- Corrective action
- Provider education
- Retrospective recovery
- Reporting and referral

Ongoing feedback loop
Program Integrity
Special Investigations Unit

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<tr>
<th>MEDICAL</th>
<th>PHARMACY</th>
<th>DATA</th>
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| Investigations centralized around medical and/or ancillary benefits. Investigations are:  
• Retrospective | Investigations centralized around pharmacy benefits and network. Investigations are:  
• Retrospective  
• Preventative | Performs sophisticated analytics and data manipulation. Creates powerful graph data visualizations. Develops databases and manages big data. |

MISSION

• **Protecting the ethical and fiscal integrity** of the company and its employees, members, providers, government programs, and the general public.
• **Safeguarding the health and well-being** of our members.
• **Preventing, detecting, and correcting** fraudulent, wasteful, and abusive activities and compliance violations through effective investigative operational strategies.

Anti-FWA Compliance Programs

1. Based on the 7 elements of an effective compliance program,
2. Align with the company's Compliance Program, and
3. Meet any other applicable requirements.

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<th>7 ELEMENTS</th>
<th>OTHER REQUIREMENTS</th>
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| • Written standards & policies  
• High level oversight - governance  
• Training & education  
• Effective lines of communications / reporting  
• Enforcement & disciplinary standards  
• Auditing, monitoring & identification of compliance risks  
• Prompt response to identified issues | • Reporting of overpayments  
• Verification of services  
• Referral of potential FWA  
• Suspension of payments  
• Notification of provider circumstances due to potential FWA (e.g., contract termination)  
• Eligibility verification  
• Policies & procedures |

*This is not a comprehensive list. Requirements vary based on type of business and contract.*
Program Integrity
Partners

Provides focused interpretation and guidance regarding legislation and regulations to advance the growth, innovation, brand reputation and performance goals.

Operations designed to prevent improper payments: to ensure the right amount is paid to legitimate providers, for covered, correctly coded, correctly billed services, provided to eligible members.

Prevents, detects and corrects fraudulent, wasteful and abusive healthcare-related activities and compliance violations through effective investigative operational strategies.

Provides a framework and supports strategic development and implementation of an effective Anti-FWA Compliance Program.

Investigations
Compliance
Legal
Payment Integrity

The Fight Against Health Care Fraud

We all play a part

Compliance plays a key role

Relationships matter
PREVENT, DETECT, CORRECT

Prevent, Detect, Correct

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<th>PREVENTION</th>
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<td>• Fraud prevention programs</td>
<td>• Opioid overutilization prevention</td>
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<td>• Claims edits</td>
<td>• Training &amp; Education</td>
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<td>• Pre-payment data analytics</td>
<td>• Code of conduct</td>
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<td>• Aberrant billing pattern analysis</td>
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<td>• Verification of excluded individuals &amp; entities</td>
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<td>• Drug utilization review (DUR)</td>
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<th>SPOTLIGHT ON</th>
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**Fraud Prevention Programs:**
- Independent Pharmacy Enhanced Credentialing (IPEC)
- Independent Verification Program (IVP)
Pharmacy Investigations
Focus on Prevention

Independent Pharmacy Enhanced Credentialing (“IPEC”)
A preventative fraud credentialing program in which the standard pharmacy credentialing process is enhanced with additional validation activities performed by trained SIU investigators.

Jurisdiction & Scope
Independent Retail Pharmacies
Located in Health Care Fraud Prevention and Enforcement Action Team (HEAT) areas:
- Miami-Dade, Florida
- Tampa Bay, Florida
- Brooklyn, New-York
- Houston, Texas
- Chicago, Illinois
- Detroit, Michigan
- Los Angeles, California

FACTS
- Program started in 2014
- Key elements include:
  - Onsite inspections
  - Inventory reconciliation
  - Background checks

Pharmacy Investigations
Case Examples - IPEC

Pharmacy A investigated as a part of IPEC located in Florida.

- Pharmacy was found in violation of at least 9 requirements.
- No drug inventory but processing claims.

Attempted to process $40K worth of claims
Pharmacy Investigations
Case Examples - IPEC

Pharmacy B investigated as a part of IPEC located in New York.

Sanitary Issues

Expired Drugs

Laboratory Investigations
Focus on Prevention

Independent Provider Verification Program (IPV) – Enhanced verification process for independent laboratories located within high risk states, who expressed an interest or intent to bill UHC for laboratory services.

Investigative activities
* Provider verification (case lead)
* Background investigation
* Claims data review
* Unannounced onsite inspection
* Findings and recommendations

FACTS
- Program started in June 2017
- Over 40 laboratories inspected
- Actions taken may include full denial of incoming claims or a request to review records before paying claims
Laboratory Investigations
Case Examples - IPV

Prevent, Detect, Correct

DETECTION
- Investigations
- Scheme specific investigations
- Post-payment reviews
- Controlled substance drug diversion program
- Lock-in program
- Pharmacy & provider audits
- Advanced Analytics
- Machine Learning & Artificial Intelligence
- Provider education

SPOTLIGHT ON
Special Investigations:
- Medical Investigations
- Addressing Abusive Laboratory Billing Practices
Prevent, Detect, Correct

DETECTION

- Investigations
- Scheme specific investigations
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SPOTLIGHT ON

Special Investigations:
- Medical Investigations
- Addressing Abusive Laboratory Billing Practices

Prevent, Detect, Correct

In addition to detection, investigation, payment prevention and recovery efforts, corrective action is taken when fraud, waste or abuse is discovered. Corrective actions vary based on the nature of the issue.

CORRECTION

- Corrective action
- Provider education
- Retrospective recovery
- Reporting
- Referral to law enforcement, state agencies, boards
- Disciplinary action
Caresource Program Integrity

CareSource Management Group

- PRIMARY BUSINESS IS MEDICAID
- OTHER BUSINESS Duals, exchange, Medicare advantage
- Five states
- Growing
CareSource Program Integrity Structure

CEO

Chief Legal Counsel

Compliance

Program Integrity

Internal Audit

SIU

Intake & Triage

Pre-pay Team

Post-pay Team

Payment Integrity

SIU Program Integrity

Company Program Integrity

Special Investigations Unit (SIU)

Prevention

- Enhanced Credentialing
- Employee, provider, member and vendor education
- Credentialing Committee - Recredentialing Review
- Website
- Claim system edits
- Review of PAs and PA P&Ps
- Medical-Reimbursement Policies

Detection

- Reporting Mechanisms*
- Fraud Software
- Data Analytics
- Pre-pay Review Efforts
- HFPP
- Audits
- Checkwrite Review
- EOB
- Media
- Information Sharing
- Prohibited Affiliations
- Grievances Rev.

Investigation

- Case Tracking Software
- Intake, Triage & Investigation
- Medical Record Review
- Provider Onsite Interviews
- Background Checks
- Data Analytics
- Geo plotting

Correction

- Provider education
- Formal CAP
- Contract termination – not for cause/for cause
- Arbitration – litigation
- Internal issue Mitigation
- Overpayment recovery
- Cease & Desist Letters

Reporting

- Deconfliction
- Referrals
- Monthly, Quarterly & Annual Reports
SIU Return on investment-metrics

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<tr>
<th>ROI</th>
<th>METRICS</th>
<th>REFERENCES - TOOLS</th>
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<td>Cash recovery</td>
<td>AUDIT TYPES &amp; RESULTS</td>
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<td>Claim Denials</td>
<td>CAFS</td>
<td>POWER BI</td>
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<td>Prevented losses</td>
<td>EXTERNAL AGENCY REQUESTS FOR DATA</td>
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<td>Pre-pay denials</td>
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<td>Vendors</td>
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<td>• PROGRAM INTEGRITY REQUESTS</td>
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<td>• CORRECTIVE ACTIONS</td>
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Medicaid SIU Challenges

* Permissions/Deconflictions
* Stand Downs
  * Payment of known fraud dollars
* Lack of recognitions of pre-pay efforts
* Inability to administer provider contracts
* Excessive reporting requirements – using significant resources
* Every state is different

NHCAA driving collaborative efforts to develop best practices
Program Integrity (PI)

Payment Integrity
- Provider types with high risk for fraud audits
- Provider Education
- Hospital Pre-pay
- Providers with high risk for fraud audits

SIU PI
- Anti-Fraud Plan
- Annual Fraud Work Plans
- Policies and Procedures
- Delegated Vendor
- External Audits
- Anti-Fraud Plan

Enhanced PI
- Enhances Company defense against noncompliance
- Creates a close bond between IA, Compliance and PI
- Provides business assistance
- Tests solutions
- Continuous improvement

Why Enhanced PI?

- New Managed care rule
- CMS audits of state Medicaid oversight of managed care
- 21st century cures act
- OIG & GAO articles
Risk Assessment

Compliance Strategies
FWA Risk Assessment

- Enterprise Risk Management, vs. Compliance Risk Assessment, vs. Fraud, Waste and Abuse Risk Assessment
- What are the differences and similarities? Small vs. Large Health Plan?
- All are similar to any Risk Assessment but the Fraud, Waste, & Abuse are specifically focused on FWA
- Review Internal and External Actual or Potential Threats
- Expand the specifics as well as the review of Key Controls and Mitigating factors
- How do you get started?

Identifying FWA Risks - Many Places

- Interviews from Stakeholders (e.g. leadership, business owners)
- Current Compliance Data
  * Past Regulatory Actions
  * Internal and External Audits
  * Corrective Action Plans within the past 12 months
  * Emerging Risks in the Marketplace
  * Industry Trends/OIG Work Plan
  * New Regulatory Requirements
- Other Sources, i.e., the News!
- Independent, External Mock Audits of Organization
- Develop Risk Inventory from Input Above
2019 FWA Risk Assessment Areas

<table>
<thead>
<tr>
<th>FWA Risk Assessment Internal Areas By Department</th>
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<tbody>
<tr>
<td>Sales &amp; Marketing</td>
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<td>Enrollment</td>
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<td>Claims</td>
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<td>Member Services</td>
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<tr>
<td>Case Management</td>
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<td>Utilization Management</td>
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<tr>
<td>Quality Management</td>
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Internal FWA Threats

- **Employees - How can they commit FWA?**
- **Examples:**
  - Expense reports
  - False marketing vendor invoices from external source and internal employee approves them for collusion
  - Provider Relations adds a fake “provider” and Claims staff pays “fictitious claims” to the provider – internal collusion
  - Finance Manager convicted of Embezzlement 2 years prior
  - Executives – CFO misrepresentation of financial records, etc.
  - Case Mgr – Create authorizations for VSN to work the W-E
2019 FWA External Risk Assessment Areas

| FWA Risk Assessment External Entities (Providers, Delegated Entities (Vendors/FDRs), Members) |
|-----------------------------------------------|-----------------------------------------------|
| Claims Billing & Coding                      | Pharmacy - PBM Billing Patterns               |
| Fictitious Vendors                           | Provider Credentialing                        |
| Members – Provider Shopping/ Drug Seeking    | Social Media Review                           |
| Over-utilization/Under-utilization           | Quality Management – Falsifying HEDIS Scores  |
| Incomplete / Inaccurate Credentialing Materials | Procurement – Kickbacks, Collusion           |
| UM/Case Management – Documentation Accuracy  |                                               |

External FWA Threats

- **External Partners - Providers, Delegated Entities, Members, Brokers** – How can they commit FWA?
- **Providers fail to render services billed**
- **Delegated Vendors** –
  - Falsify clinical documentation to increase payments;
  - Required approval or denial notices are created upon notice of audit
- **Members** –
  - Hide income to become eligible;
  - Accept “Cash or Credit Cards” from Social Day Care providers as incentives to sign-up
Risk Rationale and Key Controls For Consideration

- Why is it a concern, where did it come from, prior incident, new incident, from other plan, a regulatory mandate, etc.
- Are there Key Controls to Mitigate this event?
- What is the likelihood that it will happen?
- Identify all factors to develop an appropriate risk score.

Prioritizing Your Risk Inventory

- Business Owners rank risks in their areas
  - Experience
  - Knowledge
- Review
  - Likelihood of occurrence – High, Medium, Low or 3, 2, 1
  - Impact to the Organization – High, Medium, Low or 3, 2, 1
  - Velocity – Time to Impact – High, Medium, Low or 3, 2, 1
- Evaluate results at Compliance and FWA Level
- Calculate
  - Likelihood x Impact = Risk Score
  - Likelihood x Velocity x Impact = Risk Score
- Risk Map – Plots areas of Risks
### External Case Mgt Vendor

- **Risk Description**: Creating fraudulent clinical notes by non-clinical staff to support denial of service.
- **LOB**: Medicare Medicaid
- **Risk Assessment Rationale**: Multiple CA CM/IPAs were creating documents for audit purposes; member harm.
- **Key Controls or Actions to Mitigate Risks**: None. Future audits webinar; validate with members; request daily reports; cross-reference with expectations.

### Internal Employee

- **Risk Description**: Collusion – Fake provider / fictitious claims
- **LOB**: Comm.
- **Risk Assessment Rationale**: Past incident; lost $250,000
- **Key Controls or Actions to Mitigate Risks**: Key controls added; reports and security access measures

### Likelihood & Potential Impact

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<tr>
<th>Likelihood</th>
<th>Potential Impact</th>
<th>Risk Score</th>
<th>Other Considerations</th>
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<tbody>
<tr>
<td>High</td>
<td>High</td>
<td>9</td>
<td>State Regulators were notified of the issue by a Compliance Officers. Multiple HPs effected.</td>
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<tr>
<td>Medium</td>
<td>Medium</td>
<td>6</td>
<td>None.</td>
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### Completed 2019 FWA Risk Assessment

- **Box 6**: Case Mgt – Factitious documents
- **Box 8**: 
  - **Box 5**: Fake provider/fictitious claims
  - **Box 3**:
    - **Box 1**: Likelihood of realizing noncompliance risk in the next 12 months is Low
    - **Box 2**: Likelihood of realizing noncompliance risk in the next 12 months is Medium
    - **Box 4**: Likelihood of realizing noncompliance risk in the next 12 months is High
Next Steps

- Develop a work plan to manage the identified risks such as: Transfer, Mitigate/Reduce, Eliminate, Accept
- Work Plan must be detailed
  - Risk, Domain, Priority
  - Owner, Action
  - Start and Completion Date
  - Validation Completion Date

FWA Risk Assessment Takeaways

- After the FWA risks are identified, take action!
- Prioritize your risks - Every program has limited resources so right-size your “risks” with your “resources.”
- Re-evaluate and re-prioritize periodically to assure FWA risks take into account new and emerging schemes.
- It is not a “one and done” process.
Risk Assessments - Summary

- Risk assessment is the process by which compliance risks are evaluated and prioritized.
- Risk assessments help us understand where to most effectively focus our efforts and to identify areas that require mitigation and/or controls.
- Results inform monitoring & audit work plans.
- Risk assessments have become an expectation of government, regulators, and industry. In some cases, they are a regulatory requirement.
- Risk assessments are often reviewed by regulators during a Compliance Program Effectiveness audit.
- Assessing risk is subjective.
- Performance is one consideration when determining risk level; an area identified as ‘high risk’ does not necessarily mean that it is low performing.

Top Takeaways

- After the FWA risks are identified, take action!
- Prioritize your risks - Every program has limited resources so right-size your “risks” with your “resources.”
- Re-evaluate and re-prioritize periodically to assure FWA risks take into account new and emerging schemes.
- It is not a “one and done” process.
Questions?

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