OIG Enforcement Update

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What We Are Looking For

Today’s Topics

Successful Cases from Proactive Data Analysis

Recent Trends in OIG’s Enforcement Efforts

– Including Collaborative Efforts in Urine Diagnostic Testing Schemes
Proactive Data Analysis
Case Examples

(Something Raises a....)

Meanwhile, at the ZPIC

Total Rehab

• ZPIC identified aberrant biller of PT services with use of KX.
  – He/she billed PT services + KX on 100% of claims, national average is around 10%
  – KX bypasses therapy cap in Medicare payments system

• PT had not worked at facility in years.
Total Rehab

- Owner of Total Rehab (not a PT) continued to bill for PT services without a PT on-staff, continued to use that PT’s provider number.

- Patricia Boshears pled guilty to an information charging one count of 18 USC Section 1347. The plea agreement set the loss to Medicare at $68,096.27.

More Proactive Work

Through....

MDTN Podiatry Cases

- Common podiatry scheme is to bill for nail avulsions but only provide routine foot care.

- USAO investigator researched Medicare’s most frequent billers of nail avulsions in MDTN.
Podiatry Cases

A few dozen bene interviews to establish a pattern (you know if you have had a nail avulsion), along with some other investigative steps...

• Dr. John Cauthon – indicted Oct. 2015

• Dr. Charlton Peter – information filed Oct. 2016

Ambulance Settlements

• Looked for ALS emergency and BLS emergency runs where the destination was NOT a hospital (SNF, home, etc.).

• Series of settlements in Jacksonville, FL and elsewhere with both ambulance companies and the hospitals.

<table>
<thead>
<tr>
<th>Provider</th>
<th>Date Settlement</th>
<th>Settlement Amount</th>
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<tbody>
<tr>
<td>Shawano Ambulance Service</td>
<td>11/12/2015</td>
<td>$108,086.00</td>
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<td>SeniorCare Emergency Medical Services</td>
<td>11/13/2015</td>
<td>$103,334.00</td>
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<td>EMS Mediventure, Inc.</td>
<td>12/7/2015</td>
<td>$92,000.00</td>
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<td>South Central Regional Medical Center</td>
<td>12/21/2015</td>
<td>$318,885.62</td>
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<td>City of Barre, Vermont</td>
<td>12/23/2015</td>
<td>$127,669.90</td>
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<td>LifeLine Ambulance Service, LLC</td>
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<td>$74,414.66</td>
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<td>White Lake Ambulance Authority</td>
<td>2/5/2016</td>
<td>$113,635.08</td>
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<td>Kurtz Ambulance Service, Inc. and Andres Medical Billing &amp; Collection, Inc.</td>
<td>2/9/2016</td>
<td>$77,542.72</td>
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<td>Campion Ambulance Service</td>
<td>2/26/2016</td>
<td>$100,804.74</td>
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<td>Altru Health System</td>
<td>3/4/2016</td>
<td>$300,974.00</td>
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<td>Ogden City Corporation</td>
<td>3/11/2016</td>
<td>$363,159.38</td>
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<td>Allied EMS Systems</td>
<td>5/5/2016</td>
<td>$121,722.63</td>
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<td>The Board of County Commissioners of Flagler County and PST Services, Inc.</td>
<td>6/13/2016</td>
<td>$86,251.00</td>
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<td>Enloe Medical Center</td>
<td>6/24/2016</td>
<td>$570,912.40</td>
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<td>Courtesy Transport Services, LLC</td>
<td>7/20/2016</td>
<td>$362,188.00</td>
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<td>Arkansas Excellent Transport, Inc</td>
<td>9/16/2016</td>
<td>$35,208.35</td>
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</table>
Predictive Analytics and Risk Scores

Use past billing and referral behavior and other information available to LEO (FinCEN, SARS) to identify risky providers.

Both HHS and DOJ have analytics tools that can apply risk scores to providers.

Examples of Risk Modeling

- DME with a high % of claims from one referring physician, yet no E&M's billed by that physician for the referred patients.
- Geographic clusters of a particular provider and the movement of those clusters.
  - Patient population doesn't match payment percentage, aberrant to peers
- All in, then cash out before we come knocking (DME, pharmacy)
  - Clues: large % of denied claims, low % of resubmitted, outside of office environment

Examples of Risk Modeling

- Geographic relationship (or lack thereof) between ancillary provider and referral source.
- Opioid prescribers, drug to drug interactions
  - Pharmacy, compounding pharmacy fraud indicators
  - OEI report
- Hopefully, all of these analytics and clues will lead us to...
UDT/Toxicology Screening

Good Case Study in

- Proactive Data Analysis
  - Collaborative Efforts OIG

- Recent Enforcement Trend

Cases in Urine Diagnostic Testing

- Increase in UDT expenditures over last few years.
  - Partly a byproduct of increase of pain management doctors

- Medicare recently changed reimbursement rate re panel testing.

- Increased investigations and regulatory scrutiny.

- The industry can be risky.
Special Fraud Alerts

- June 25, 2014
- Laboratory Payments to Referring Physicians

Other Guidance

- June 9, 2015
- Physician Compensation Arrangements May Result in Significant Liability

Seen in the UDT industry

- Kickbacks in the form of IT equipment, medical directorships, POC cups, personnel, leases, processing fees, golf clubs, Hermes bags

- Test everything for everything, every time
  - Why would you want to confirm that zero is zero?
  - Why are you testing every grandmother for Molly?
More Data Mining

Proactive analysis by OAS

Mohammad Siddique, M.D. and Shoals Medical Group, LLC (ND AL)

Go434 – low complexity POC screen. Guidance is one test per patient encounter.

Siddique

• Multiple tests per patient encounter + used modifier 59

• $2,767,651.67

Millennium Health, LLC Claims

$256 Million Settlement in Oct. 2015 + CIA

• No “Custom Profiles”

Orders must be patient-specific

• Thoughtful approach to reflexive testing

• Submission of diagnostic information for tests ordered

• Audit of referral patterns to address potential issues with referral sources

Chief Clinical Officer

Oversight over clinical content in marketing materials, messaging to referral sources, etc.
Millennium Health, LLC
Arrangements and Marketing

• Arrangements
  – Review and training
  – Tracking anything of value provided to an actual or potential referral source

• Monitoring of marketing
  – Field force monitoring
  – Compliance observations

Recent Laboratory CMP Settlements

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<tr>
<th>Provider</th>
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<th>Settlement Amount</th>
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<tr>
<td>C.F. Health Management, Inc. d/b/a Gainesville Pain Management</td>
<td>5/17/2013</td>
<td>$1,577,597.00</td>
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<tr>
<td>Medmiles Laboratories, LTD</td>
<td>2/14/2014</td>
<td>$5,000,000.00</td>
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<td>Sadie Smith, R.N., M.D.</td>
<td>7/25/2014</td>
<td>$334,528.90</td>
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<td>Florida Family Laboratories, Inc.</td>
<td>8/5/2014</td>
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<td>Pain Specialists of Greater Chicago</td>
<td>9/10/2014</td>
<td>$590,763.45</td>
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<td>Clinical Laboratory Partners</td>
<td>9/29/2014</td>
<td>$145,789.34</td>
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<td>Dennis Conrad Harper, M.D.</td>
<td>1/20/2015</td>
<td>$305,168.54</td>
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<td>Alan J. Wayne, M.D. and Stevenson Medical Center, Inc.</td>
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<td>$225,000.00</td>
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<tr>
<td>American Institute of Toxicology</td>
<td>7/20/2015</td>
<td>$229,924.74</td>
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<tr>
<td>David Irving Stein, M.D. and Milwaukee Pain Treatment Services</td>
<td>8/14/2015</td>
<td>$374,864.78</td>
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Recent Laboratory FCA Settlements

• Calloway Laboratories, Inc.
• Strata Pathology Laboratory, Inc. (StrataDX)
• Millennium Health, LLC
• Singulex, Inc.
• Health Diagnostic Laboratory, Inc.
• Bostwick Laboratories, Inc.
OIG Enforcement Trends

Medicare Paid Amounts 2006 - 2015 (New Orleans)

Medicare Paid Amounts 2006 - 2015 (New Orleans)
Outcomes: CMHC Payment Trends

Sustained declines in Medicare payments have followed Federal enforcement and oversight action.

- In Baton Rouge: Medicare payments fell nearly $5 million per quarter
- In Houston: Medicare payments fell nearly $10 million per quarter
- In Miami: Medicare payments declined about $40 million per quarter
- Nationally, payments to CMHCs decreased from $70 million to under $5 million per quarter ($250 million annually)

Skilled Nursing Facilities

- Upcoding through manipulation of RUGS classification
- Medically unnecessary therapy (PT, OT, and SLP)
  - Can result in unnecessary and unwanted end-of-life care
- High turnover rate and concerns regarding caregivers
- Theft of needed pain and other medications from patients
  - Few integrity safeguards
  - Counterfeit and expired drugs through secondary wholesalers
- Photographs posted to social networking sites

What’s New in Hospice

- Marketers touting “new” hospice benefit where you don’t have to be terminally ill (some patient co-conspirators)
  - Usually housekeeping and homemaker services
- Door-to-door solicitation by sham religious entities
  - Convincing brochures
- Adult daycare misrepresented as hospice
- Increasing whistleblower cases
Hospice Fraud

- Let’s stay somewhat local

- Mississippi hospice cases
  - Live discharge rate highest in country
  - Low rate of cancer diagnosis
  - Typical hospice beneficiary interview

Outcomes: DME Payment Trends

Sustained declines in Medicare payments have followed federal enforcement and oversight action.

- Medicare payments for DME in Miami peaked at more than $60 million per quarter in 2006.
- In 2007, numerous federal oversight and administrative initiatives were launched by CMS, OIG and others, including the Medicare Fraud Strike Force in May 2007.
- Miami-area DME payments decreased from over $40 million per quarter in 2007—before the Strike Force’s first takedown—to $15 million per quarter in 2011 (e.g., approximately $100 million in annual savings thereafter).

Medicare Part B

- PCP’s trying to specialize or bring things in-house
  - Allergy testing and immunotherapy
  - LCMS screening, other lab services
  - Suboxone programs

- Mobile Suboxone treatment
Medicare Part D - Local News

Report: Drug-related deaths double in past five years in Knox, Anderson counties

Article of Interest

• Three-quarters of the overdose deaths in this area involve prescription drugs (vs illegal/recreational drugs)
  - National overdose deaths are now higher than traffic accident deaths
• In this geographical area, the age group of concern is trending older
  - Drug-related deaths occurred most often among people 45-54 years old, followed by people 55-64 and 35-44
• Polypharmacy deaths are significantly on the rise
• Deaths from detox drug Buprenorphine (Suboxone) are increasing
• Heroin deaths are rising, and expected to increase with legislative changes in the state
• Overdose deaths may be significantly underreported

Some Parting Thoughts...

• Medicare Part C
• Compounding Pharmacies
• Home Health Agencies
• Genetic Testing
• Cardiac Stents
Questions?
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