

HEALTHCARE FRAUD

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1

QUICK STATS FOR HEALTHCARE FRAUD

- ▶ Healthcare Fraud Costs the Nation \$68 Billion Annually
 - ▶ Includes Private Insurance and Medicare/Medicaid
- ▶ In 2017 OIG HHS Identified \$1.3 Billion in False Billings in Medicaid/Medicare Alone
 - ▶ Involved 400 Defendants in 41 Different Areas
 - ▶ For Every Dollar Spent Fighting Fraud, \$5 is Recovered
- ▶ \$12.5 Billion in Dental Fraud Annually

2

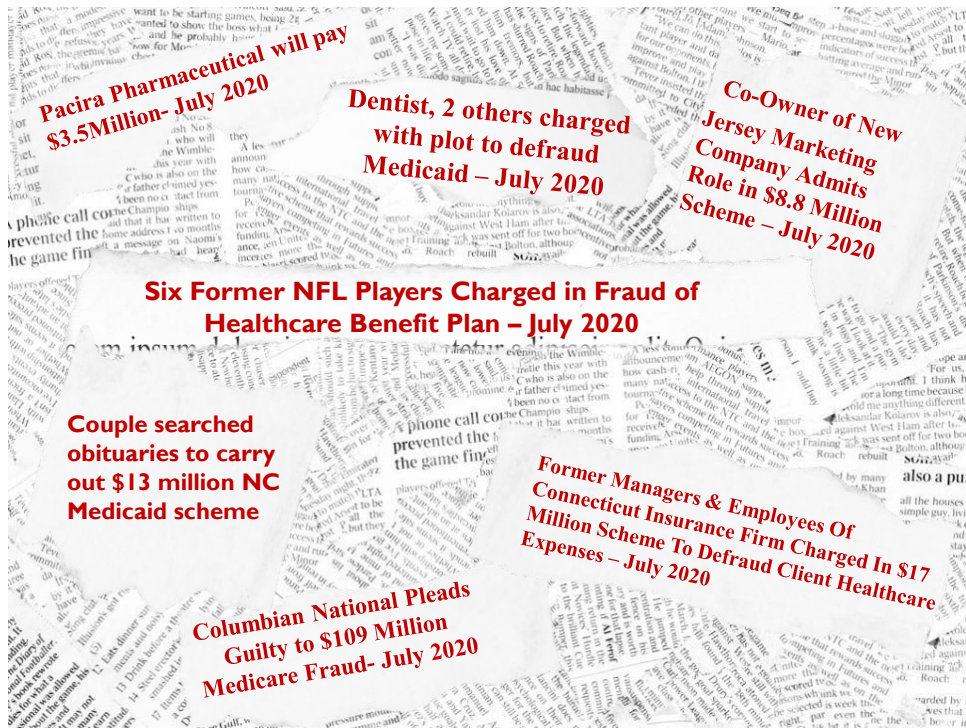
POLL QUESTION 1



3

**POLL ANSWER:
D. ALL OF THE ABOVE**

4



5

Pacira Pharmaceuticals Inc.

- ▶ Occurred 12/1/2012–4/30/2015
- ▶ Paid Kickbacks to Doctors to Prescribe Exparel (Their Drug)
- ▶ Kickbacks Were in Form of Non-Existent Research Grants
- ▶ Offered to Physicians and Their Hospitals
- ▶ Ordered to Payback \$3.2 Million



6

Couple searched obituaries to carry out \$13 million NC Medicaid scheme

- ▶ Occurred between Feb. 2010 and Feb. 2019
- ▶ Ran Agape Healthcare Systems, Inc., a Medicaid home health provider
- ▶ Kept submitting claims after moving to Maryland and then Nevada
- ▶ Reviewed obituaries to back bill for claims
- ▶ Received over \$10 million from 2017–2019

7

Prescription Drug Scheme Marketing Company – 1

- ▶ Occurred between Feb. 2015 and Feb. 2017
- ▶ Recruited people to get medications they didn't need and bill insurance
- ▶ Targeted insurance companies that paid for compound prescriptions
- ▶ Prescriptions filled with partnering tele-pharmacies
- ▶ Patients were paid to fill prescriptions; most were NJ MTA employees
- ▶ Admitted to \$8.8 million in fraud



8

EBS Employees Defraud \$17 Million in Client Funds for Benefits

- ▶ Occurred between 2015 and 2019
- ▶ EBS offers insurance related healthcare benefits
- ▶ Offered self-pay for insurance claims to clients that self-fund their plans
- ▶ Claims in the check registry were paid every 2 weeks
- ▶ Most claims were non-existent and paid themselves



9

Maryland Dentist, 2 others charged with plot to defraud Medicaid

- ▶ Occurred between January 2013 and May 2018
- ▶ Fraudulently obtained over \$8 million in Medicaid funds
- ▶ Paid kickbacks for new patients
- ▶ Submitted claims for services not provided
- ▶ Medicaid payments suspended to dentist personally in 2015 so claims were submitted under a company he was CEO

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GOOD DENTAL HYGIENE IS IMPORTANT FOR THE WHOLE FAMILY... BUT FLOSSING YOUR CAT WAS PROBABLY A BAD IDEA.



10

Six Former NFL Players Charged in Fraud of Healthcare Benefit Plan



- ▶ Occurred between June 2017 and December 2018
- ▶ Healthcare reimbursement accounts allowed up to \$350,000 per player for medical expenses not covered tax free
- ▶ Submitted false claims totaling \$3.9 million
- ▶ Charged with identity theft for filing claims under other players
- ▶ Some individual claims were \$50,000 for equipment never purchased.

11

Columbian National Pleads Guilty to Medicare Fraud

- ▶ Occurred between January 2013 and May 2018
- ▶ Fraudulent claims for durable medical equipment (DME) totaling \$109 million
- ▶ Employees established shell companies to submit fraudulent claims in 12 states
- ▶ Included claims for deceased patients and repeat claims for same patients

12

POLL QUESTION 2



13

**POLL ANSWER:
D. ALL OF THE ABOVE**

14

Most Common Healthcare Fraud Areas

- ✓ Telemedicine
- ✓ Dental
- ✓ Durable Medical Equipment
- ✓ Patient Medicaid Eligibility
- ✓ Prescription Drugs
- ✓ Testing and Diagnostics (Especially now with Covid-19)

15

Most Common Healthcare Fraud Schemes

- X Services Not Rendered
- X Up-coding
- X Medically Unnecessary Procedures – Diagnostic and Testing Very Common
- X Non-covered Procedures Coded as Necessary (Cosmetic Surgery is One)
- X Unbundling
- X Kickbacks for Patient Referrals

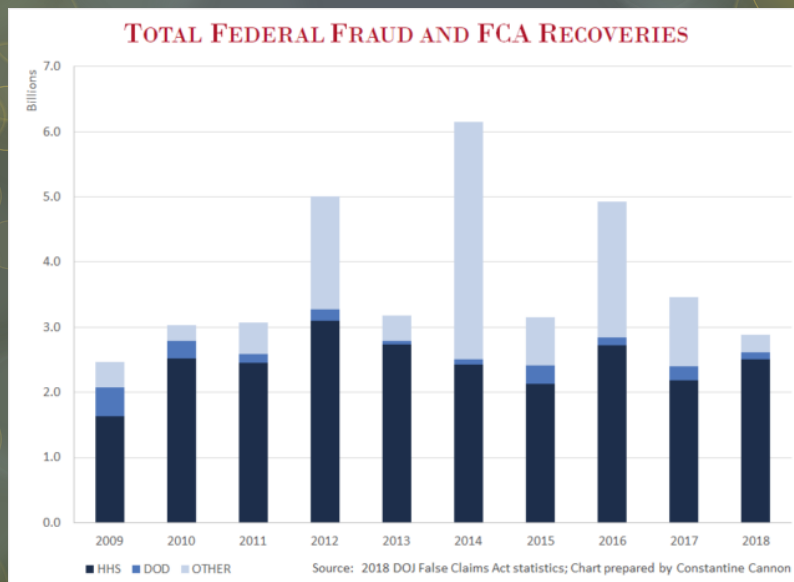
16

MOST COMMON DENTAL FRAUD

- Inflated Billing
 - Adding services not required
 - Billing services higher than performed (Also called Upcoding)
- Phantom Patients
- Worthless Treatments
 - Unnecessary root canals or extractions

17

By the Numbers



18

North Carolina Healthcare

- Over the last 10 years, more than \$850 million recovered
- More than 450 convictions in fraud
- Medicaid covers more than 2.1 people (More than 20% of population)
- Largest private health insurance for NC (BCBSNC) has 3.81 million members as of 12/31/2019
- Ability to defraud government is very high

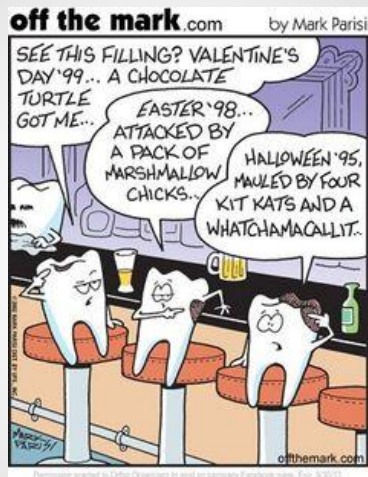
19

What Helps Identify Fraud

- Whistleblowers are the number 1 identifiers of fraud
- Neighbors of Medicaid Recipients
- Data Analytics
- Greed leads to mistakes
- Individuals reporting errors on EOB

20

POLL QUESTION 3



21

POLL ANSWER:
B. EVERYONE

22

Works Cited

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- ▶ Coalition Against Insurance Fraud: <https://www.insurancefraud.org/scam-alerts-dental.htm>