

Fraud, waste and abuse



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The NALC Health Benefit Plan (the Plan) is committed to combating health care fraud, waste and abuse (FWA) through the prevention, detection, investigation and civil/criminal prosecution of FWA. This commitment is reinforced through the development of policies and procedures and the allocation of resources for our anti-fraud effort.

The primary area of responsibility within the Plan charged with combating FWA within the Federal Employee Health Benefits (FEHB) Program is the Special Investigation Unit (SIU). This unit is responsible for detecting and investigating allegations of FWA, both internally and externally.

What are fraud, waste and abuse?

Fraud—knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program. Fraud can be committed by a contractor, a subcontractor, a provider and/or a FEHB beneficiary/enrollee. It includes any act that constitutes fraud under applicable federal law.

Examples include, but are not limited to, the following:

- Billing for services that were never rendered,
- Misrepresenting who provided the services, altering claim forms, electronic claim records or medical documentation; and
- Falsifying a patient's diagnosis to justify tests, surgeries or other procedures that aren't medically necessary.

Waste—the expenditure, consumption, mismanagement, use of resources, practice of inefficient or ineffective procedures, systems and/or controls to the detriment or potential detriment of entities. Waste is generally not considered to be caused by criminally negligent actions, but rather the misuse of resources. Waste can be committed by a contractor, subcontractor, provider and/or an FEHB beneficiary/enrollee.

Examples include, but are not limited to, the following schemes:

- Performing large numbers of laboratory tests on patients when the standard of care indicates that only a few tests should have been performed on each of them,
- Medication and prescription refill errors, and
- Failure to implement standard industry waste-prevention measures.

Abuse—actions that may, directly or indirectly, result in unnecessary costs to the FEHB Program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud because the distinction between fraud and abuse depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors. Abuse can be committed by a contractor, a subcontractor, a provider and/or a FEHB beneficiary/enrollee.

Examples include, but are not limited to, the following:

- Misusing codes on the claim (i.e., the way the service is coded on the claim does not comply with the national or local coding guidelines or is not billed as rendered),
- Waiving patient co-pays or deductibles and over-billing the FEHB plan, and
- Billing for items or services that should not be paid for by the FEHB Program, such as never events.

What should you actively do to protect you and your family from FWA?

1. Be wary of giving your Plan identification (ID) number over the telephone or to people you do not know, except to your doctor, other provider, or authorized Plan or OPM representative.
2. Let only the appropriate medical professionals review your medical record or recommend services.
3. Avoid using health care providers who say that an item or service is not usually covered, but they know how to bill the Plan to get it paid.
4. *Carefully* review our Explanation of Benefits (EOB) upon receiving them in the mail.
5. If you suspect that a provider has charged you for services you did not receive, billed you twice for the same services, or misrepresented any information, do the following:
 - Call the provider and ask for an explanation. There may be an error.
 - If the provider does not resolve the matter, call the NALC HBP SIU at 888-636-NALC (6252) and explain the situation.

Let's talk a little more about No. 4, which is reviewing your EOB.

You should always be aware: Know your benefits; examine your medical bills; and examine your medical pharmacy records regularly. As we talked about above, if you see unauthorized charges, contact the provider and the NALC HBP SIU immediately at 888-636-NALC (6252).