



## A Matter of Perspective A Proactive Approach

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## Achieving Excellence Through Mission Focus



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## Change in Focus

- Bad News:
  - Viral
  - Regional
  - Aberrational
- Good News:
  - Detectable
  - Deterrable

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### Viral Transmission Within Regions

- SDFL = Infusion, DME, HHA
- CDC = DME, IDTF
- SDTX = Transport, DME
- EDM I = CORF, Infusion, DME

Low barriers-to-entry Providers and replicated schemes.

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### How It Happens

- Individuals Committing Outright Fraud Rely on Single Claim Review
- Perpetrators understand that the system:
  - Is honor based
  - Needs to provide uninterrupted services/payments
  - Does not identify patterns
  - Is not set to spot obvious fraud

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### Everyone is involved!

- Owners (real and nominee)
- Medical Personnel (physicians, nurses, assistants, etc.)
- Beneficiaries
  - Often willing participants (“professional beneficiaries”) – seek out kickbacks
- Recruiters (facilitators/brokers)
- Consultants
- Billing Companies

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## An Engine of Fraud

- Analogy
  - Piston: Provider/Owner
  - Belts: Beneficiaries
  - Oil: Kickbacks (grease the skids)
  - Gas: CMS!

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## Potential Fraud Indicators

- Distance between beneficiary and provider location
  - Can map this information by zip code and county to identify the location of providers
- High rate of denied claims
  - Would a legitimate provider want only 30% of their submitted claims to be paid?
- Unlikely sets of services received by individual beneficiaries as the provider attempts new sets of procedure codes

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## How We Stop It

- Develop the “fraudster” mindset
  - Hit and run approach – quick/profitable
  - Kickbacks
  - View as a victimless crime
- Utilize advanced data analysis tools and techniques to identify and examine anomalies
  - Diagnosis Codes, HCPCS, CPT Codes
  - Relationships between physicians and beneficiaries
  - Compare to national averages
  - Track Changes in Ownership
  - Anomalies in physician and beneficiary utilization
  - Travel patterns (use zip codes)

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### Most Common Defense in Medicare Fraud Criminal Trial

- The claims cannot be false because Medicare had all the information on the claim forms and **they paid** the claims. Medicare would not paid if it were unnecessary or false.
- United States response:
  - (1) Medicare looks at each claim independently;
  - (2) Medicare is a trust based system; and
  - (3) We rely on physicians to serve as gatekeepers.

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### Federal Judges Observe Claim Patterns

- This Court observes that the wealth and effect of the overwhelming evidence of fraudulent submission of claims to Medicare should have been equally apparent to . . . [the carrier] as it was to the Court, if not more so, given . . . [the carrier's] obligations as fiscal agent in authorizing millions of dollars in payment. It is unclear why . . . [the carrier] is not a subject of the Government's investigation into criminal wrongdoing . . . ." *United States v. All-Med Billing Corp., et. al.*, 04-22075-CIV-ALTONAGA.

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### Profile of a Medicare Provider

- JP, 36 years old CEO and Chairman of Board of Directors.
- Classified as a "Habitual felony offender" by State of Florida after more than a dozen arrests since 1989.
- Prior criminal expertise included burglary, robbery, drug possession and other charges.
- In 2002, released from state prison following incarceration for burglary.
- His infusion clinic billed Medicare \$7.5 million and received \$2.4 million in payments
- In May of 2007, JP claimed no knowledge of his company and turned over its bank account with \$355,000 to federal agents.




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## POETIC Justice

**The Miami Herald**  
MONDAY, NOV. 12, 2007

JP died on November 8, 2007, after he and another man were spotted by police officers while trying to steal a car in a casino parking lot.

The Medical Examiner concluded that JP's death was a result of alligator attack after he jumped into a lake while running from the police.

A trapper later captured and killed the alligator which was 9 feet 3 inches.

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## New Priorities and Emphasis on Fighting Fraud

- Know the schemes in your district.
- Assess Aberrations in Claims and Payments
- Intelligence Assessment of your city or high fraud area.

Use Communication with Public to Spread the Word: Achieve Deterrent Impact from Prosecutions.

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## Strike Force Accomplishments

- As of July 2009, Strike Force operations have produced
  - Indictments of 364 individuals for criminal health care fraud
  - 174 criminal convictions
  - Over \$210 Million in monetary results

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## Medicare \$\$\$ at work



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## QUESTIONS?

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