

PRO CARE HEALTH PLAN

FRAUD & ABUSE

Health care Fraud & Abuse is a major contributor to the health care costs of our nation. There are several laws at both federal and state levels to monitor and deter the incidence of Health care Fraud & Abuse. Pro Care Health Plan, Inc. (Pro Care) conducts its affairs in accordance with all applicable Federal and State laws, regulations, licensing and contract obligations.

Pro Care's Corporate Compliance Program assures that all Pro Care activities are carried out in manner compliant with federal and state laws as well as its contractual obligations. An integral part of the Program is its efforts to prevent, detect and report issues and instances related to fraud, waste and abuse by its employees, providers and/or members.

Definitions:

Fraud is defined as the intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law (42 CFR455.2).

Abuse is defined as provider practices that are inconsistent with sound fiscal, business or medical practices, and result in an unnecessary cost to the Medicaid program, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes recipient practices that result in unnecessary cost to the Medicaid program (42 CFR 455.2).

Waste involves the taxpayers not receiving reasonable value for money in connection with any government funded activities due to an inappropriate act or omission by players with control over or access to government resources. Waste goes beyond fraud and abuse and most waste does not involve a violation of law. Waste relates primarily to mismanagement, inappropriate actions and inadequate oversight.

Examples of Fraud & Abuse

Given below, without limitations, are examples of **Provider** Fraud & Abuse:

- Inaccurate billing
 - Billing for services never provided.
 - Billing for more expensive services than were actually provided.
 - Repeated or double billing – upcoding and unbundling.
- Incorrectly stating a diagnosis to get higher payments.
- Performing unnecessary services to get higher/more payments.
- Not performing required services (underutilization).
- Misrepresenting non-covered procedures as medically necessary.
- Providers falsifying their own credentials.
- Selling or sharing a member's identification number for the purpose of filing false claims

- Collusion – price fixing within certain markets.

Given below, without limitations, are examples of **Member** Fraud & Abuse:

- Allowing other individuals the use of their Medicaid or Pro Care card to obtain medical benefits including transportation.
- Misuse of transportation benefits – use other than covered benefits.
- Altering medical records.
- Making false statements and obtaining false prescriptions
- Sharing/selling medications with other individuals.
- Repeated use of emergency rooms even for non-emergent medical conditions.

Reduce/Eliminate Fraud & Abuse

- Never share your personal information such as social security number, Medicaid identification with any unauthorized persons.
- Do not sign any blank insurance forms.
- Do not provide your medical information in exchange for “free tests”
- Understand your EOB fully and completely.
- Understand your treatment benefits and medical coverage.
- Report immediately (to Pro Care or State of Michigan) any suspected behavior or information.
- Cooperate with investigative authorities in bringing culprits to book.

Reporting Fraud & Abuse

Pro Care is committed to fully cooperate with DCH in the detection, investigation, reporting and follow-up on all issues. Employees, Members and Providers are required by Law to report all suspected cases/complaints. When reporting suspected fraud and/or abuse, please provide Pro Care with the following information:

- Nature of the Complaint
- The name of the provider, individuals and/or entity, including their address, phone number, and Medicaid identification number, and any other identifying information.
- Chain of events.

Reporting can be done anonymously. Reporting suspected fraud and abuse can be done by calling or sending a letter/memo to:

Pro Care Health Plan
Attn: Compliance Officer
3968 Mt. Elliott
Detroit, Michigan 48207
Or at Fraud & Abuse Hotline Toll free at
1-877-255-3055 Extension 136

Reporting suspected fraud and abuse and complaints of fraud and abuse that warrant preliminary

investigation can be done by calling or sending a letter/memo to MDCH at:
Program Investigation Section
Capital Commons Center Building
400 South Pine, 6thFloorLansing, Michigan 48909,
Program Investigation Section
Toll Free: 1-866-428-0005

If needed, reporting may also be done to
Office of Inspector General (OIG)
Health and Human Services
Attention: HOTLINE
330 Independence Avenue, S.W.
Washington, DC 20201

Disciplinary Actions

Pro Care is obligated by the law to take any and all following disciplinary actions (depending on the issues):

For Members

1. All interactions with members are documented in the Customer Services computer system.
2. Pharmacy lock in (PCP must approve all prescriptions written for member).
3. Change PCPs (when this occurs, the new PCP is informed of the potential case of fraud or abuse conducted by member).
4. Take necessary steps to dis-enroll member

For Providers:

1. All interactions are documented in the Quality Improvement Department's individual provider file.
2. Closing Provider's practice to new members
3. Transferring current members to new PCP
4. Terminating provider
5. Reporting Provider to NCDB (databank).

False Claims Act (Federal and Michigan Medicaid)

At both Federal and State level, there is False Claims Act. In general, The False Claims Act (federal) prohibits the provider of service to file claim and receive payment from government. Under Michigan Medicaid False Claims Act (MCL 400.601 – 400.615), providers are prohibited from filing false claims and receiving payments from Medicaid providers such as Pro Care.

Pro Care's compliance program has fully implemented the requirements of the federal and Michigan False Claims Act.

Federal Civil False Claims Act

The Federal Civil False Claims Act prohibits the knowing submission of false or fraudulent claims

for payment to the federal or state government, the knowing use of a false record or statement to obtain payment on a false or fraudulent claim, or a conspiracy to defraud the federal or state government by having a false or fraudulent claim allowed or paid. Violation of the False Claims Act may result in substantial civil monetary penalties of up to \$11,000 per false claim, three times the damages sustained by the government and exclusion from the Medicare and Medicaid programs.

The Act also contains provisions allowing individuals to bring suit on behalf of the government. As detailed below, this law also contains employment protections for those individuals who assist in false claims cases. For example, in general, the law does not permit employers to take retaliatory actions against employees who file such cases.

There are also criminal laws prohibiting false claims, which prohibit knowingly and willingly making or causing to be made any false statement or representation or material fact in any claim or application for benefits under Medicare or Medicaid. Violations are felonies and are punishable by imprisonment and/or fines.

Michigan Medicaid False Claims Act

1. Under Michigan Medicaid Claims Act, there provisions for prison terms of up to four (4) years and fines up to \$50,000 for knowingly making false statement or false representation of a material fact in any application for Medicaid benefits or use in determining rights to a Medicaid benefit; soliciting, offering, or receiving kickbacks or bribes for referrals to another for Medicaid funded services (fines up to \$30,000); entering into an agreement with another to defraud Medicaid through a False Claim; or making and presenting to the State of Michigan a False Claim for payment.
2. **Whistleblower Protection**: MCL 400.610c provides protection to employees of Pro Care. The law provides whistle blower protection to employees who report fraud and abuse practices. Under the provisions of law, there can be no retaliation for such reporting such acts. There can be no discharge, suspension, demotion, suspend, or other harassment. If an employer does these and is found guilty, then there is reinstatement of employee with seniority, provisions for paying the employees 2 times lost pay with interest and other compensation and relief as provide by the courts.

Deficit Reduction Act of 2005 (DRA) (section 6032)

Under the requirements of this section of the DRA, the Pro Care has provided for a discussion on the false claims act, whistleblower protection and methods of preventing and detecting fraud and abuse in the Pro Care Employee Handbook. It is the responsibility of every employee to report such instances of fraud and abuse to the Compliance Officer or, if they should choose to, to the State of Michigan at the contact information provided above.