



Defense Health Agency Program Integrity Office

Fighting Health Care Fraud and
Abuse Around the World



Defense Health Agency
Program Integrity Office
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To Report Fraud & Abuse:
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fraudline@dha.osd.mil

Website:
www.tricare.mil/fraud

Guarding the Health Care of Those Who Guard Us

Disclaimer: These education materials were current at the time they were published and posted to DHA-PI's Website. They were prepared as education resources; they are not intended to create any rights, privileges, or benefits. These materials are summaries that explain certain aspects of the Federal fraud and abuse laws, but are not legal documents. The official information is contained in the relevant laws and regulations.

Goals of the Course:

- To increase your knowledge of TRICARE and the Defense Health Agency, Program Integrity Office (DHA-PI) anti-fraud activities.
- Increase awareness of health care fraud and abuse.
- Help identify your role in fighting fraud and abuse against the Military Health System (MHS).
- Identification of potential fraud and abuse issues.
- How to report potential cases to DHA-PI.

Introduction to The Basics.....

TRICARE and the Defense Health Agency,
Program Integrity Office
Fighting
FRAUD and ABUSE

Let's get right to it...who is responsible for reporting fraud and abuse against the Program?

EVERYONE!!!



Reports of suspected fraud, waste, or abuse can be submitted anonymously.

- TRICARE, formerly known as the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), is the health care program of the U. S. Department of Defense Military Health System (MHS).
- The MHS delivers care thru two systems:
 - Purchased Care(private sector)
 - Direct Care (military)

- The DHA was formally established under Deputy Secretary of Defense Memorandum dated March 11, 2013.
- DHA leadership manages the TRICARE health care program for active duty members and their families, retired service members and their families, National Guard/Reserve members and their families, survivors and others entitled to DoD medical care.

- TRICARE partners with regional contractors in the three U.S. regions (North, South, and West) and individual contractors for the Overseas region and Pharmacy benefit, along with others, to provide health care services and support to beneficiaries under the “purchased care” plan.
- TRICARE regional contractors assist military treatment facility commanders in operating a world-class health benefit for all eligible beneficiaries.



The regional contractors do not provide retail pharmacy, dental or TRICARE For Life health care services and support. These services are provided by other contractors.

The DHA-PI office located in Aurora, Colorado, is responsible for all MHS Anti-Fraud activities to include TRICARE.



- DHA-PI:
 - Develops cases for criminal fraud/abuse prosecutions and civil fraud/abuse lawsuits.
 - Coordinates investigative activities and exchanges information with the Department of Justice, law enforcement agencies, federal agencies and state agencies.
 - Monitors and provides oversight of contractor program integrity activities.
 - Responds to healthcare fraud whistleblower complaints.
 - Administers provider sanctions.
 - Develops and executes anti-fraud and abuse policies and procedures.
 - Engages in activities to identify, prevent, and curtail fraud and abuse.

- Fraud and Abuse referrals are received from a variety of sources. Referral sources include:
 - Managed Care Support Contractors
 - Law Enforcement
 - Departments of Justice
 - Defense Criminal Investigative Service
 - Military Criminal Investigative Services
 - Military Treatment Facilities
 - Fraudline Reports
 - Providers
 - Beneficiaries
 - DHA staff
 - Healthcare organizations (private industry)

- Most fraud and abuse allegations are reported directly to our contractor partners Program Integrity offices.
 - Fraud and abuse link on the contractors webpage
 - Fraud “hotline”
 - Customer Service
- These activities may generate investigative referrals that may be pursued by law enforcement and/or the Department of Justice on behalf of TRICARE and other government programs that may be affected.

What did you learn?

True or False:

Question #1

TRICARE is funded by various military organizations?

True/False

What did you learn?

True or False:

Question #2:

Government, Contract, or Military members should report fraud and abuse to the Regional Contractors, not DHA-PI?

True/False

What did you learn?

True or False:

Question #3

The DHA-PI is an outside contracted company?

True/False

What did you learn?

True or False:

Question #4

DHA-PI is the lead office for all fraud and abuse for the Military Health System worldwide?

True/False

What did you learn?

True or False:

Question #5

TRICARE was formerly known as the Civilian Health and Medical Program of the Uniform Services (CHAMPUS)?

True/False

End of Introduction Chapter

The Basics

The Law and TRICARE:

- Authority to Provide Care Under the Program.
- Authority to Fight Fraud and Abuse Directed Against the Program.

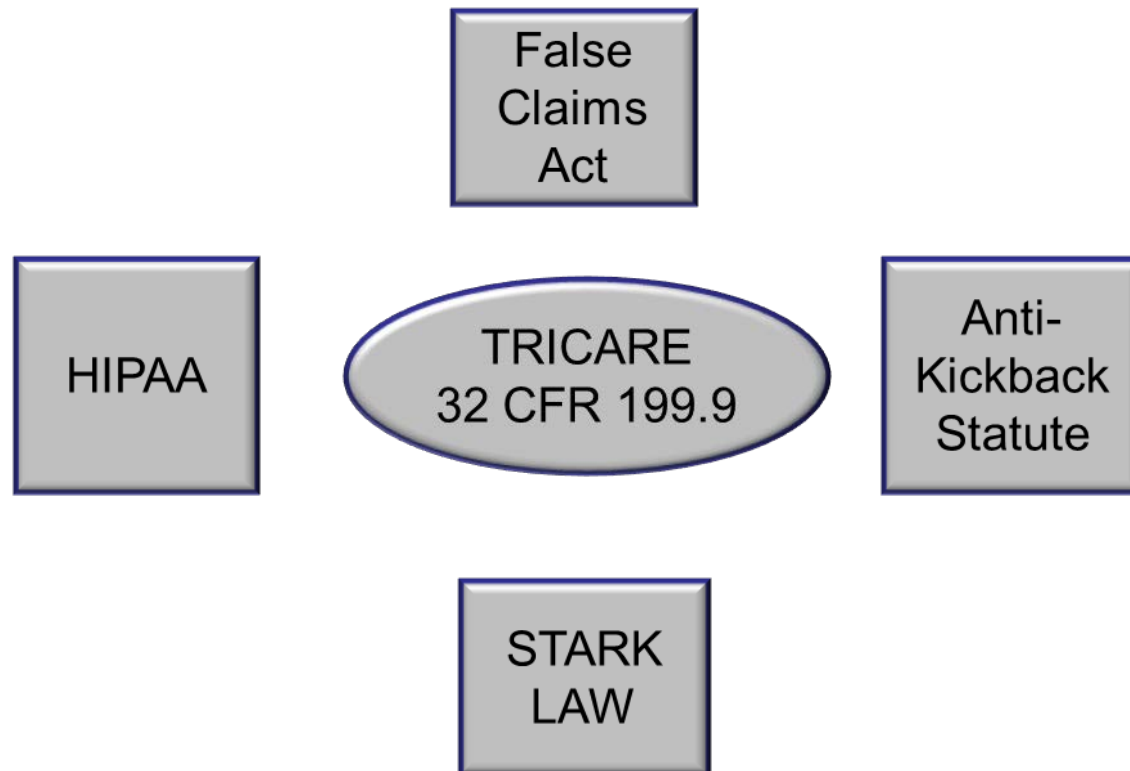
Authority to Provide Care Under the Program

- TRICARE benefits are authorized by congressional legislation incorporated in Chapter 55 of Title 10, United States Code, and implemented by the Secretary of Defense in Title 32, Code of Federal Regulations, Part 199 (32 CFR 199).
- TRICARE is funded by federal funds allocated through the annual Department of Defense Appropriation Act.

Authority to Fight Fraud and Abuse Directed Against the Program

- Title 32 CFR 199.2 defines Fraud and Abuse under TRICARE.
- Title 32 CFR 199.9(b)(1)-(8) provide examples of situations that are considered abuse under TRICARE.
- Title 32 CFR 199.9(c)(1)-13) provide examples of situations that are considered fraud under TRICARE.

Statutes and Regulatory Guidance To Fight Fraud and Abuse



False Claim Act

Prohibits

- Knowingly presenting a false claims for payment or approval.
- Knowingly making or using a false record or statement in support of a false claim.
- Knowingly concealing or knowingly and improperly avoiding decreasing an obligation to pay the Government.
- Conspiring to violate the False Claims Act.

- The False Claims Act, also called the "Lincoln Law," is a [federal law](#) which allows people to file actions against federal contractors claiming fraud against the government. The Act provides a legal tool to counteract fraudulent billings turned in to the Federal Government (including TRICARE). Most commonly these allegations are filed in the form of a Qui Tam (whistleblower lawsuit).

Anti-Kickback Statute

Prohibits

*Knowingly and willfully soliciting, receiving, offering or paying remuneration (including any kickback, bribe, or rebate) for referrals for services paid for in whole or in part under a federal health care years, program.

*TRICARE gained protection under anti-kickback laws with passage of HIPAA.

Stark Statute (Physician Self-Referral Law)

Prohibits

*Prohibits a physician from making a referral for certain designated health services to an entity in which the physician (or a member of his or her family) has an ownership/investment interest or with which he or she has a compensation arrangement.

*Based upon the amendment of the False Claims Act by the Fraud Enforcement and Recovery Act (FERA) in May 2009, TRICARE can be provided restitution in limited situation's as a result of violation's of the Stark Statute.

Health Insurance Portability and
Accountability Act of 1996 (HIPAA)

Prohibits

Unauthorized access, use or disclosure of protected health care
Information.

- The Health Insurance Portability and Accountability Act of 1996 (HIPAA) provides federal protections for personal health information held by covered entities and gives patients an array of rights with respect to that information. At the same time, the Act's Privacy Rule is balanced so that it permits the disclosure of personal health information needed for patient care and other important purposes.

- Additionally, the Act also provides provisions relating to the imposition of civil money penalties on covered entities that violate a HIPAA provision or HIPAA rule. For TRICARE this brought protection specifically involving “federal anti-kickback” allegations.

The Basics.....

TRICARE and the Defense Health Agency,
Program Integrity Office

What is

FRAUD and ABUSE

- **What is fraud?**

- “Fraud” is any intentional deception or misrepresentation that an individual or entity does that could result in an unauthorized TRICARE benefit or payment.



In layman terms: Fraud occurs when a person or organization deliberately deceives others to gain some sort of unauthorized benefit and/or payment.

- **What is abuse?**

- “Abuse” is any practice by providers, physicians, or suppliers that is inconsistent with accepted medical or business practice.



In layman terms: Abuse occurs when providers supply services or products that are medically unnecessary or that do not meet professional standards.

- **Impact of Health Care Fraud and Abuse:**

- Several trillion dollars is spent for U.S. health care in an average year. The National Health Care Anti-Fraud Association estimates that at least 3% of that total is lost to fraud.
- Health care fraud and abuse may place patient safety at risk (e.g., medically unnecessary procedures, overprescribing medications, reusing one time use disposable supplies, services rendered by unlicensed and/or unqualified individuals, billing for but not providing necessary care, etc.).

- **Who commits fraud?**

- Majority of fraud is committed by dishonest physicians, billing entities, and other health care professionals:
 - Examples: Physicians; laboratories; hospitals; psychiatrists; ambulance companies; and clinics.
- Lesser percentages are attributed to:
 - Beneficiary fraud and/or abuse.
 - Government and/or contractor employee fraud.

- **Common Locations Where Fraud and Abuse Scenarios Occur:**
 - Doctor's Office
 - Pharmacy
 - Medical Supply Store
 - Hospital or Same Day Surgery
 - Dentist Office
 - Medical Clinic
 - Nursing Facility
 - Physical Therapy Clinic

- **Common Warning Signs of Fraudulent Claims:**
 - Misspelled medical terminology or terminology described in lay terms.
 - Handwritten bills.
 - Multiple claims with photocopied medical documents in which only the name or date of service changes.
 - Inconsistency between provider's specialty and treatment.
 - Lack of medical treatment documentation from providers.
 - Use of multiple pharmacies and providers for treatment*
 - Ambulance services where there is no indication the beneficiary is immobile.
 - Claims for extensive treatment for minor injuries or illnesses.
 - Claim forms with different dates of service from medical documents.
 - No co-pays or cost shares collected from the beneficiary.

*This may also be an indication of drug abuse or addiction of a beneficiary

Signs of beneficiary fraud and abuse:

- Sponsor or beneficiary fails to report a change in status (divorce, custody, death) that would have terminated eligibility to the benefit.
- Submitting claim(s) for out of pocket healthcare services that cannot be validated as having been received.
- Attempts by beneficiary to get care for a non-authorized family member (e.g., conspiring to allow the ineligible family member to pose as the eligible beneficiary).

Examples of fraud; see Title 32 CFR 199.9(c):

- Billing for services not rendered.
- Misrepresentation of who received and/or rendered the services.
- Billing non-covered services disguised as covered services.
- Misrepresenting the description of services and/or dates of service.
- Agreements or arrangements between either a supplier, provider or beneficiary that result in claims which include unnecessary costs or charges (kickbacks).
- Billings or claims which involve flagrant and persistent overutilization of services without proper regard for the results, the patients ailments, condition, medical needs, or physicians orders.

Lets Look at Some of These More Closely:

Examples of Fraud:

- Services Not Rendered: Billing for services and/or supplies that were never performed or provided. Examples include billing for office visits even though the patient did not show up for a scheduled appointment, billing for an MRI with contrast even though there were no contrast materials injected, and pharmacies billing for prescriptions not filled.

Examples of Fraud (Cont'd)

- Unbundling: The use of multiple codes to bill for a procedure when a single comprehensive code is the appropriate code to use. Unbundling schemes result in higher reimbursement than is permitted.
- For example a provider performs an exploratory surgery and during the procedure continues to perform a full corrective surgery. The provider should not bill each procedure separately. Both procedures should be billed as one code. By unbundling the procedure the provider could receive \$2,500 for each procedure, collecting \$5,000 verses \$4,500 that would be paid when billing with the correct comprehensive code.

Examples of Fraud (Cont'd)

- Eligibility Fraud, Medical Identity Theft, and Theft of Services: Use of medical benefits by an unauthorized individual can be the result of outright theft or collusion between parties. It is critical that providers view and beneficiaries present their Uniformed Services Identification Card when accessing care.

Examples of Fraud (Cont'd)

- Up-coding: Billing for a higher-level treatment than was actually provided. This is most commonly found to occur in the various Evaluation and Management codes. An example would be a provider billing a 99215 code, when only a 99212 code was justified by medical documentation and the service provided.

Fraud Case Example

#1

A doctor bills for services as if he provided them when in actuality the services were provided by a medical assistant and the doctor never saw the patient.



Fraud Case Example

#2

A psychiatrist bills for individual therapy when in actuality the therapy was provided as a group session and should have had a reduced rate.



Fraud Case Example

#3

A beneficiary has a medication (liquid) filled at a pharmacy. The pharmacist fills the bottle $\frac{3}{4}$ full and then adds water making the medication ineffective.



Examples of Abuse, see Title 32 CFR 199.9(b):

- Waiving of Co-Pays or Cost Shares.
- Charging TRICARE rates in excess of those charges routinely charged by the provider to the general public.
- Billing substantially in excess of customary and reasonable charges.
- Failure to maintain adequate medical or financial records.
- Refusal to furnish or allow Government access to medical records or financial records.
- Care of inferior quality.
- A pattern of services which are medically unnecessary.

Lets Look at Some of These More Closely:

Examples of Abuse:

- Services Not Medically Necessary: An example includes battery of diagnostic tests are given when, based on the diagnosis, fewer tests were needed.

Fraud and Abuse Case Example

#1

A doctor determines that a patient needs a series of 12 blood panels. The patient goes to the an independent lab facility which then completes 24 blood panels. The lab facility bills TRICARE for 24 panels despite the fact that the ordering doctor did not order the additional panels and there was no medical necessity for them.



Abuse Case Example

#1

A beneficiary has an appointment with their primary care physician. Upon completion of the visit the doctor's office advises the beneficiary they do not need to pay the co-pay because they doctor waives co-payments from his/her TRICARE beneficiaries. This is an example of Abuse. Providers and Beneficiaries are required to collect/pay applicable co-pays or cost shares.



Where does a TRICARE beneficiary, Military member, Government employee, Contract employee, or Concerned Citizen report fraud and abuse against the Department of Defense, Military Health System?

- There are several avenues available to you:
 - 1) You can report it to the DHA-PI Office via email at: fraudline@dha.mil.
 - 2) You can fax your information to the DHA-PI Office at (303) 676-3981.
 - 3) You can contact the Managed Care Support Contractor for the Region you are in (via “hotline”, “fraudline”, or mail).

When reporting Fraud and Abuse: #1 Rule: KEEP IT SIMPLE!

- WHO is committing the fraud and abuse
- WHAT is it you think they are doing
- WHERE is the provider/entity/beneficiary located
- WHEN did the alleged fraud and/or abuse occur



Referral Tips To Remember prior to referral:

- **Know your facts before referring potential fraud or abuse**
- **If your just not sure, contact DHA PI anyway.**

What did you learn?

True or False:

Question #1:

Only beneficiaries, managed care support contractors, and DHA-PI are responsible for reporting fraud and abuse against the Military Health System?

True/False

What did you learn?

True or False:

Question #2

Fraud can only be committed by medical providers?

True/False

What did you learn?

True or False:

Question #3

Abuse is any practice by providers, physicians or suppliers that is inconsistent with accepted medical or business practice?

True/False

What did you learn?

True or False:

Question #4

An example of a common Fraud scenario is billing by a provider when no services were rendered ?

True/False

What did you learn?

True or False:

Question #5

TRICARE receives no anti-kickback protection under HIPAA?

True/False

What did you learn?

True or False:

Question #6

Fraud is defined as: Any intentional deception or misrepresentation that an individual or entity does that could result in an unauthorized TRICARE benefit or payment?

True/False

What did you learn?

True or False:

Question #7

“Abuse” is defined as: Any practice by beneficiaries to attempt to receive reimbursement for medical services they did not receive or getting excessive amounts of care?

True/False

End of The Basics.....Chapter

TRICARE and the Defense Health Agency,
Program Integrity Office

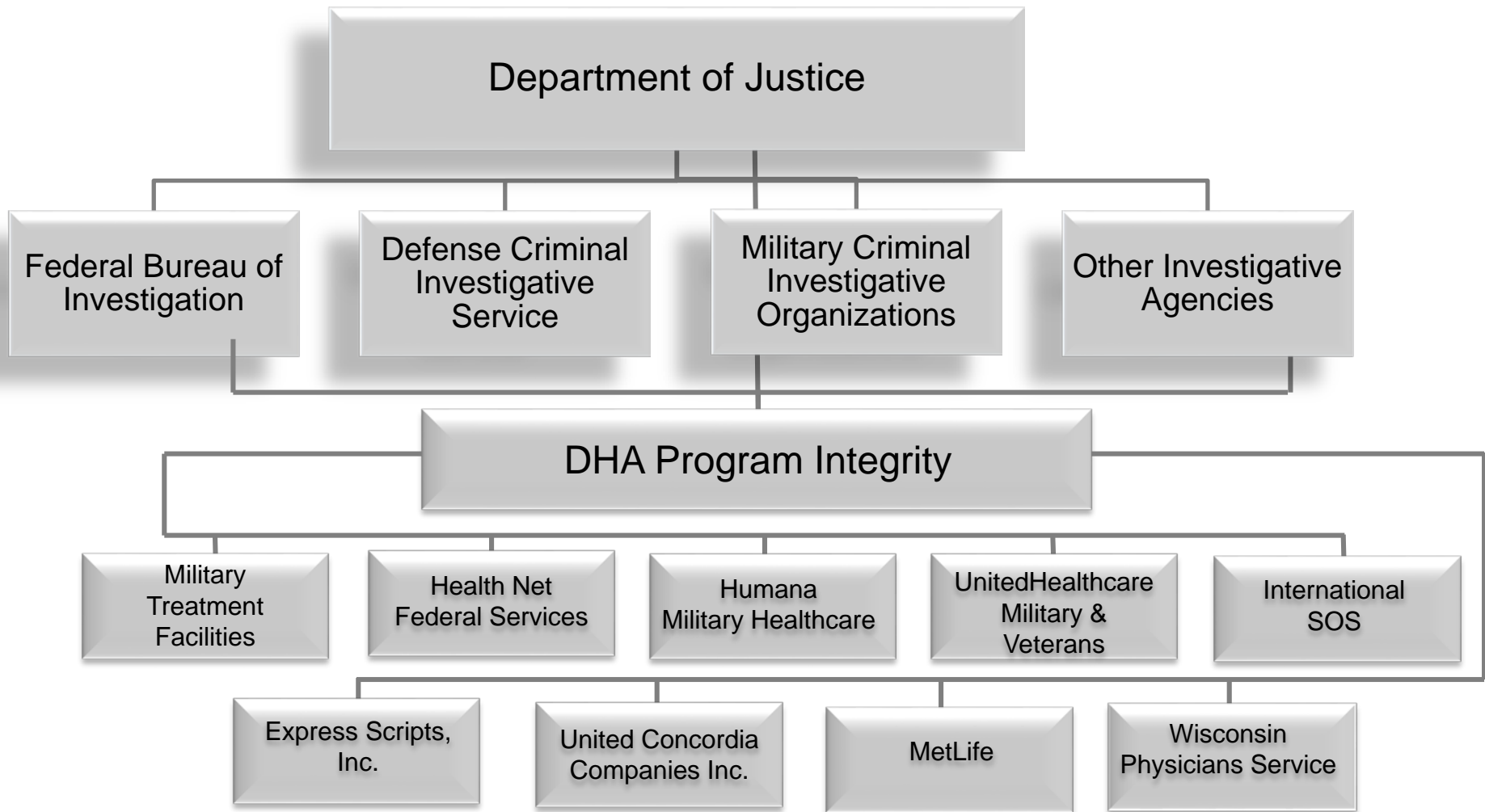
What is

FRAUD and ABUSE

The Basics.....

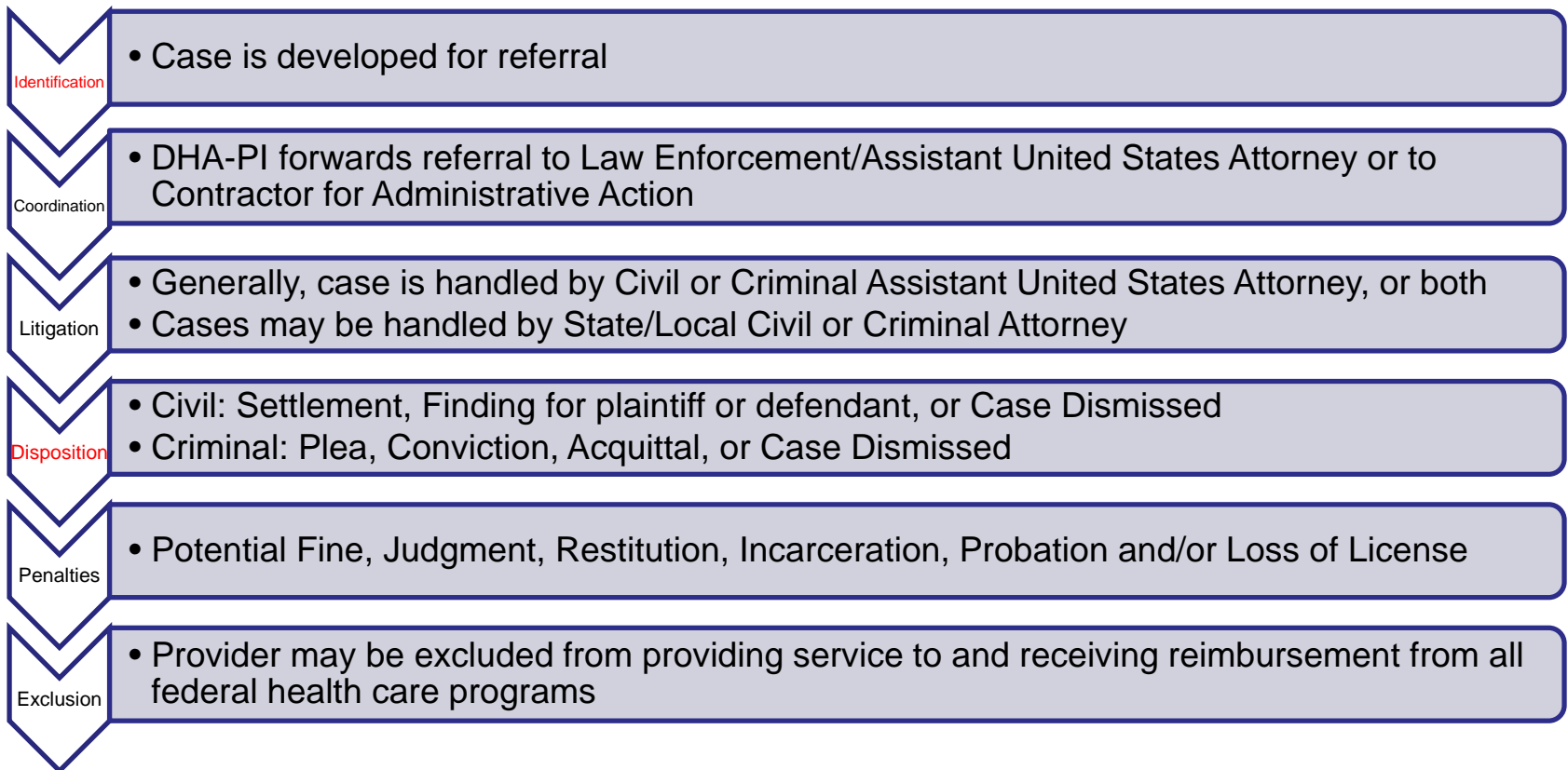
TRICARE and the FRAUD and ABUSE
Building the Case

- As the **centralized administrative hub** for allegations of fraud, waste, or abuse directed against the Program, DHA-PI is responsible for national coordination & control of fraud case referrals.
- Building a case takes a coordinated effort between DHA-PI, government contractors, criminal prosecutors, civil litigators, and Federal and State law enforcement agencies.
- DHA-PI provides stakeholders with ongoing support throughout all phases of case activity. This includes providing technical and professional expertise, as well as, providing testimony on program regulations and policy.



- TRICARE utilizes anti-fraud controls (claims system edits, prepayment claims review, anti-fraud auditing, etc.) to deter, prevent, and identify fraud.
- Cases are developed from external referrals, fraud reports, and the results of proactive anti-fraud activities (e.g., anti-fraud controls, data-mining, etc.).
- Potential fraud cases developed by our contract partners are submitted to DHA-PI for evaluation. DHA-PI refers contractor case submissions to law enforcement or returns them for further development and/or administrative action.

The Referral Lifespan



- **A key player in the fight against health care fraud includes the Defense Criminal Investigative Service (DCIS):**
 - DCIS is the law enforcement arm of the DoD-OIG. TRICARE has an Memorandum of Understanding with DCIS to provide extensive technical support in the development and investigation of DoD's health care fraud cases.
 - While we provide the program expertise, DCIS assumes the primary responsibility for managing investigations once we refer a case to them. We work together during the entire investigative process – from beginning to the end.

- Several other key investigative agencies to whom we make case referrals and offer our Program expertise to are the FBI, Military Criminal Investigative Offices, Health and Human Services, Office of Inspector General, and local/state law enforcement agencies.

- Along with our own Office Of General Counsel, the Department of Justice, through the United States Attorneys, is KEY to our success since they provide the legal support when it comes to criminal investigations, trials, civil settlements, etc.
- The successful outcome of a case is the result of collaborative actions taken by everyone involved in the process.
- Separate from the case referral process TRICARE has the administrative authority to exclude a provider from the Program.

A WORD ABOUT EXCLUDING PROVIDERS*

- DHA has exclusion and suspension authority under on Title 32 CFR Part 199.9. DHA-PI works with the DHA Office of General Counsel to recommend sanctions when necessary. TRICARE's sanction list can be found at: www.tricare.mil/fraud.
- You can also access the online searchable database, of the Department of Health and Human Services (DHHS), Office of Inspector General (OIG) Sanction List through the DHA-PI website or go to: <http://oig.hhs.gov/exclusions/index.asp>.

*These lists are used by TRICARE contractors to flag providers and ensure that no payments are made for services prescribed or provided by sanctioned providers.

EFFECTS OF EXCLUDING PROVIDERS*

- Once an Individual or entity has been excluded or debarred from a federal or state health care program, no federal money may be used to pay for goods or services that the individual or entity provide.
- In addition, any entity that knowingly employs or contracts with an excluded or debarred individual or entity for the provision of good or services may be subjected to civil monetary penalties.

*The TMA and HHS exclusion lists are used by TRICARE contractors to flag providers and ensure that no payments are made for services prescribed or provided by sanctioned providers.

It takes the efforts of all of our partners – including you – to successfully thwart fraud and abuse BECAUSE...

**TOGETHER...WE ARE GUARDING THE HEALTH CARE
OF THOSE WHO GUARD US.**

What did you learn?

True or False:

Question #1

DHA-PI is the centralized hub for coordinating healthcare fraud and abuse issues against TRICARE?

True/False

What did you learn?

True or False:

Question #2

The primary investigative agency with responsibility for managing investigations once DHA-PI refers them is the FBI?

True/False

What did you learn?

True or False:

Question #3

DHA-OGC litigates all fraud and abuse act against TRICARE?

True/False

What did you learn?

True or False:

Question #4

TRICARE Providers and Beneficiaries can only be charge with submitting false healthcare claims?

True/False

What did you learn?

True or False:

Question #5

One a provider or entity has been excluded and placed on the TRICARE or HHS Exclusion List, they may be paid only for services provided to children and the elderly?

True/False

DHA Point of Contact for Fraud Referrals:

Defense Health Agency

Program Integrity Office

16401 East Centretech Parkway

Aurora, CO 80011

Phone: (303) 676-3824

Fax: (303) 676-3981

Email: fraudline@dha.mil

Congratulations!

Has successfully completed

The DHA-Program Integrity Health Care Fraud and Abuse Basic 101 Course

on: