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**IN-SERVICE TRAINING  
FOR FIELD STAFF  
*MEDICAID and MEDICARE FRAUD***

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## MEDICARE FRAUD & ABUSE

*Medicare fraud is typically characterized by*

- **Knowingly submitting false statements or making misrepresentations of fact to obtain a federal health care payment for which no entitlement would otherwise exist**
- **Knowingly soliciting, paying, and/or accepting remuneration to induce or reward referrals for items or services reimbursed by Federal health care programs;**  
**or**



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## MEDICARE FRAUD & ABUSE

- Making prohibited referrals for certain designated health services





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# MEDICARE FRAUD & ABUSE

## What Is Medicare Abuse

**Abuse** describes practices that, either directly or indirectly, result in unnecessary costs to the Medicare Program. Abuse includes any practice that is not consistent with the goals of providing patients with services that are medically necessary, meet professionally recognized standards, and priced fairly



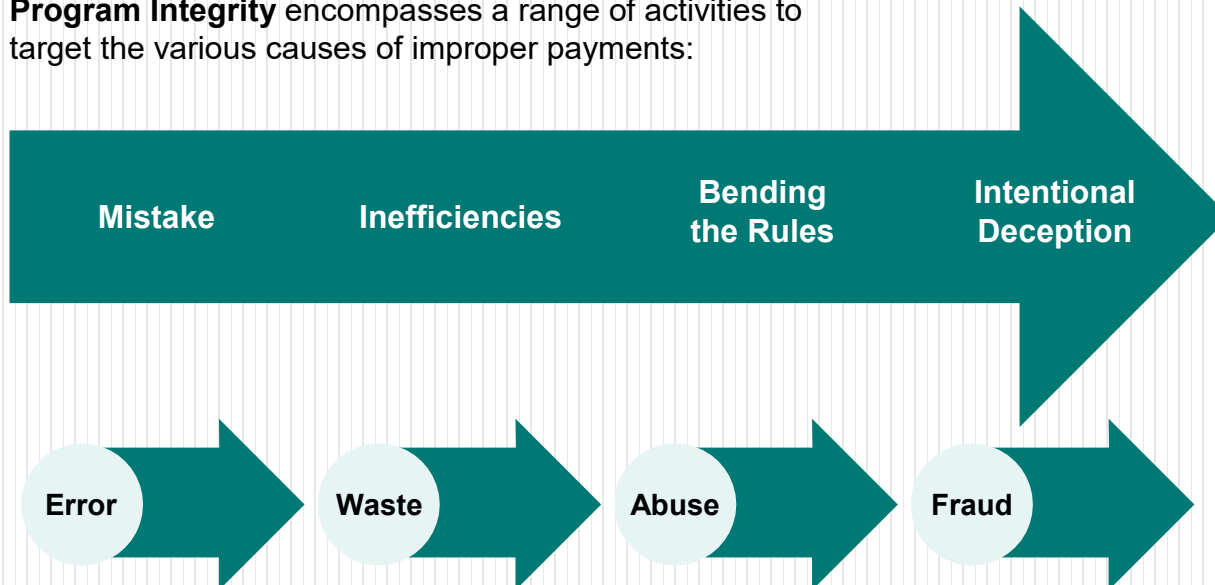


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## Types of Improper Payments

**Program Integrity** encompasses a range of activities to target the various causes of improper payments:





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# MEDICARE FRAUD & ABUSE

*Federal laws governing Medicare fraud and abuse include the:*

**False Claims Act (FCA);**

**Anti-Kickback Statute (AKS);**

**Physician Self-Referral Law (Stark Law);**

**Social Security Act;**

**United States Criminal Code**



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# MEDICARE FRAUD & ABUSE

## 1.FCA-False Claim Act:

Example: A physician submits claims to Medicare for a higher level of medical services than actually provided or that the medical record documents

Penalties: Civil penalties for violating the FCA can include fines of \$5,500–\$11,000 per false claim and up to three times the amount of damages sustained by the government as a result of the false claims.





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## 2. Anti-Kickback Statute (AKS):

Example: A provider receives cash or below fair market value rent for medical offices in exchange for referrals

Penalties: Civil penalties for violating the AKS can include fines up to three times the amount of kickback. Criminal penalties for violating the AKS can include fines, imprisonment, or both.







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## 3. Physician Self-Referral Law (Stark Law)

Example: A provider refers a beneficiary for a designated health service to a business in which the provider has an investment interest

Penalties: Penalties for physicians who violate the Stark Law include fines, repayment of claims, and potential exclusion from participation in all Federal health care programs





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## 4. Criminal Health Care Fraud Statute

**Example:** Several doctors and medical clinics conspire in a coordinated scheme to defraud the Medicare Program by submitting claims for power wheelchairs that were not medically necessary

**Penalties:** Penalties for violating the Criminal Health Care Fraud Statute may include fines, imprisonment, or both





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To prevent and detect fraud and abuse, CMS partners with individuals, entities, and law enforcement agencies, including:

- Accreditation Organizations (AOs);
- Medicare beneficiaries and caregivers;
- Physicians, suppliers, and other health care providers;





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- ❑ State and Federal law enforcement agencies, including the OIG, Federal Bureau of Investigation (FBI), Department of Justice (DOJ), State Medicaid Agencies, and Medicaid Fraud Control Units (MFCUs).