

What is Medicaid Fraud?

Medicaid is a state-managed healthcare benefit for qualifying low-income, disabled individuals and children and families. Fraud can be committed by providers or Medicaid members. Medicaid fraud is an intentional deception or misrepresentation made by an individual with the knowledge that the deception or misrepresentation may result in unauthorized benefit to an individual or some other person. Medicaid fraud includes any actions or inactions that constitute fraud under federal or state law.

"Provider" is a legal term that refers to doctors, hospitals, dentists, clinics, counselors or any other entity that Medicaid pays to serve our members. Medicaid provider fraud occurs when a Medicaid provider knowingly makes, or causes to be made, a false or misleading statement or representation for use in obtaining reimbursement from the Medicaid program.

Examples of Medicaid provider fraud:

- Billing for services not performed (phantom billing)
- Billing for a more expensive service than was actually rendered (upcoding)
- Billing twice for the same services
- Billing for services that should be combined into one billing (unbundling)
- Dispensing generic drugs and billing for brand-name drugs
- False costs reports
- Embezzlement of participant funds
- Falsifying timesheets or signatures in connection with the provision of personal care services
- Giving or receiving something in return for medical services

Member/Client Fraud consists of the intentional deception or misrepresentation with knowledge the deception could result in some unauthorized benefit to the individual or some other person.

Medicaid Member/Client fraud can include one or more of the following:

- Submitted a false application for Medicaid
- Provided false or misleading information about income, assets, family members, or resources
- Shared a Medicaid card with another individual
- Sold or bought a Medicaid card
- Diverted for resale or other reasons prescription drugs, medical supplies, or other benefits
- Participated in doctor or pharmacy shopping

- Obtained Medicaid benefits that they were not entitled to through other fraudulent means
- Paying cash for controlled substances
- Forged prescriptions

Non-fraud examples:

- Eligibility errors due to recipient misunderstanding
- When agency errors are made
- When Medicaid covered services continue during the appeal process and the agency's cancellation action is upheld.