



Fraud, Waste, and Abuse (FWA)

CDPHP Provider and Contractor Training



- Compliance with all applicable laws and regulations
- Commitment to act in an ethical manner
- [Corporate Compliance Policy](#)
- Report suspected fraud, waste, or abuse to CDPHP

Severe Penalties for FWA Violations



- Exclusion from federal/state health care programs
- Suspension of payments from federal/state health care programs
- Civil and criminal monetary penalties
- Imprisonment

Fraud and Abuse Defined



- Fraud – Knowingly or willfully executing a scheme or artifice to defraud any health benefit program or to obtain, by means of false or fraudulent pretenses, representations, or promises any of the money or property owned by, or under the control or custody of, any health care benefit program (18 USC Section 1347)
- Abuse – Practices that do not rise to the level of fraud but that result in unnecessary costs to, or improper payment from, a health care program

Examples of Risks for FWA



- Inappropriate billing practices
- Provision of false information to maximize payments
- Billing for services not provided/received
- Identity theft
- Misrepresentation of coverage status
- Remuneration schemes that unlawfully induce or reward individuals to steer members toward certain plans

- NYS and Federal False Claims Acts
- The Anti-Kickback Statute (42 USC Section 1320a-7b(b))
- Physician Self-Referral Statute (“Stark”) (42 USC Section 1395nn)
- HIPAA
- Additional federal and New York state [statute summaries](#) related to filing false claims

False Claims Acts



- Federal – Prohibits knowingly presenting or causing to be presented to a federal government a false or fraudulent claim for payment or approval. Also prohibits knowingly making, using, or causing to be made or used a false record or statement to get a false or fraudulent claim paid or approved
- NYS – Imposes penalties and fines on individuals/entities that file false or fraudulent claims from any state or local government, such as Medicaid

Anti-Kickback Statute



- Prohibits knowingly or willfully soliciting, receiving, offering, or paying any remuneration in order to induce or reward business that is payable under a federal health care program
- Penalties include exclusion from federal health care programs, civil monetary penalties of up to \$50,000 per act plus three times the amount of remuneration and criminal fines of up to \$25,000 and/or up to five years imprisonment

Physician Self-Referral Statute



- Prohibits a physician from making referrals for certain designated health services to an entity in which the physician, or a member of his/her family, has an ownership/investment interest or with which he/she has a compensation agreement
- In addition to penalties of up to three times the amount claimed and exclusion from federal health care programs, further fines up to \$15,000 for each submitted claim in violation of the law and up to \$100,000 for each “scheme” that violates the law

- Established national Health Care Fraud and Abuse Control Program to coordinate federal, state, and local health care fraud and abuse law enforcement
- Criminal penalties for violation including fines and imprisonment

Reporting Suspected Fraud, Waste, or Abuse



- Report via the CDPHP Fraud/Compliance Hotline at 1-800-280-6885 (can report anonymously) OR
- CDPHP Compliance Officer, (518) 641-5260 OR
- Director, Government Programs, (518) 641-5240

CDPHP will not tolerate any form of retaliation against an individual for reporting.

- Department of Health and Human Services, Office of the Inspector General (Medicare)
- MEDIC (Medicare Drug Integrity Contractors) Medicare Part D, contractor is “Health Integrity”
- NYS Office of Medicaid Inspector General (Medicaid)