



**DATE:** November 1, 2011

**TO:** Office of the Legislative Fiscal Analyst

**FROM:** Department of Health  
Department of Human Services  
Department of Workforce Services

**SUBJECT:** Report on Public Awareness of Fraud Reporting Systems

To keep costs as low as possible, ensure that tax dollars are being spent appropriately and ensure that low-income Utahns get the health care services they need, Utah's Medicaid program is committed to increasing public awareness of fraud reporting systems. Any Medicaid recipient, health care provider or private citizen may report suspected Medicaid fraud, waste or abuse. Anonymity is protected upon reporting suspected fraud, waste or abuse of the Medicaid program.

#### **Examples of Medicaid Provider Fraud**

When a doctor, hospital or health care professional:

- Bills Medicaid for services before the treatment is done or completed.
- Bills for patients who did not receive services by the provider or "phantom patients".
- Bills for services not medically necessary or required by the patient.
- Bills for a higher level of service than was actually provided or "up-coding".

#### **Examples of Medicaid Recipient Fraud**

It is considered recipient fraud when a person:

- Uses another Medicaid recipient's card with or without their knowledge.
- Loans a Medicaid identification card to other people to use.
- Uses more than one Medicaid identification card.
- Doctor shops to get multiple services or prescriptions.
- Forges or changes a prescription.
- Does not use items received through the Medicaid program as intended.
- Sells medical items and supplies for profit.
- Asks for and receives services or supplies that are not needed.

The Office of the Inspector General (OIG) enforces measures to identify, prevent and reduce fraud, waste and abuse in the Medicaid System. The OIG relies on referrals of suspected fraud, waste and abuse. If the referral concerns a provider, the OIG uses the information to initiate an investigation. Identifying inappropriate payments made to Medicaid providers allows the OIG to recover the overpayments made with Medicaid funds. The money is then returned to Medicaid and used to provide services to eligible Medicaid recipients. The OIG operates two fraud reporting systems, including a toll-free hotline and a website ([health.utah.gov/mpi](http://health.utah.gov/mpi)) where individuals can fill out an online form or send an email to report suspected fraud, waste or abuse.

Although the Department of Workforce Services' (DWS) role in the Medicaid program is limited to determining eligibility for Medicaid applicants, it pursues referrals of suspected recipient fraud, waste or abuse. Displayed prominently on the DWS website ([jobs.utah.gov](http://jobs.utah.gov)) is an option to "Report Fraud". This section provides the public with a toll-free fraud hotline that they can call 24-hours a day to report suspected fraud, waste or abuse. Individuals are also provided an email address to which they can report suspected fraud. All referrals are directed to DWS's full-time fraud investigations unit who will then proceed with determining whether the referral merits additional review. DWS aggressively pursues cases of fraud and abuse, and substantiated cases are set-up for fraud penalties, which in many cases involve criminal prosecution.

In addition to partnering with the Department of Health (DOH), DWS warns applicants about the consequences of committing fraud in their application and obligates them to provide accurate and complete information on an ongoing basis. DWS has an established operational policy dictating the proper procedure for identifying and referring possible cases of Medicaid recipient fraud for investigation. DWS trains its new employees, as well as implements ongoing training about identifying and referring Medicaid recipient fraud for investigation.

DWS is presently restructuring its entire communications platform, moving aggressively toward online mediums, including social media such as Facebook and Twitter. Among the planned areas for emphasis is educating and encouraging the public to report suspected fraud among all public assistance recipients, including Medicaid recipients. DWS's revamped online presence will prominently display the option to report suspected fraud. DWS's new media efforts will also proactively direct the public to that option through ongoing "tweets" and Facebook status updates.

Additionally, DWS will be focusing on point-of-sale communication, helping customers at the point of interaction with DWS to understand their consequences of recipient fraud, and also how to report it. The primary method of point-of-sale contact will be through MyCase, which is DWS's online gateway for its customers to access their public assistance cases, including Medicaid.

To educate and inform the public about the reporting mechanisms in place, DOH uses the following communication tools:

- Annual Provider Training – Medicaid staff travel statewide to facilitate provider trainings which include information about billing Medicaid, prior authorizations and care coordination. In addition, providers and their office staff are educated about reporting suspected fraud. Attendees are provided contact information in order to make a referral if fraud, waste or abuse is suspected.
- Website – The DOH homepage has a section entitled, “Online Services”. The first online service listed is a link to report Medicaid fraud, waste or abuse. In addition to this website, DOH will be adding links on the homepages of other medical program websites, including Medicaid, the Children’s Health Insurance Program (CHIP), Utah’s Premium Partnership for Health Insurance (UPP) and the Primary Care Network (PCN). Upon following the link to the OIGs website, a referrer can either fill out an online form to submit a referral, or call the fraud hotline.
- Member Guide – Upon eligibility approval for a medical assistance program, each new client is sent a member guide, which includes co-pay schedules, covered benefits, rights and responsibilities, etc. In addition, DOH has added contact information for reporting fraud, waste or abuse. The Medicaid member guide currently includes this added section, however DOH also plans to add this information to other program member guides like CHIP and PCN.
- Medicaid Information Bulletin (MIB) – Every quarter, DOH disseminates an electronic newsletter for providers. Articles change from month to month. In the past, the MIB has included an article with contact information for provider offices to report suspected fraud, waste or abuse. DOH will be adding a standing section on the last page, which includes the hotline and email contacts for reporting suspected fraud, waste or abuse.

The Department of Human Services (DHS) has taken the following actions to increase awareness of fraud and encourage fraud reporting:

- Developed and implemented two DHS policies regarding reporting Medicaid and other fraud, waste and abuse (<http://www.hspolicy.utah.gov>):
  - a. Contractors - DHS Policy 03-02
  - b. Employees - DHS Policy 03-03
- Included a section on false claims reporting in the employee handbook (see attached).
- Included training on false claims reporting in New Employee Orientation.
- Amended service contracts to include a specific section on Deficit Reduction Act and Federal False Claims Act reporting (see attached).
- Posted on the Department's website the DHS fraud reporting hotline and information on Deficit Reduction Act and Federal False Claims Act reporting.