

GOVERNMENT PROGRAMS POLICY

Title: Government Programs Fraud, Waste and Abuse				Policy No: 010	
Policy Applies to the Following Products with an "X":					
X	Medicare Part D	X	MAPD	X	Dual Eligible MAPD SNP
	Texas Medicaid		NM Centennial Care	X	IL MMAI
					IL ICP
Owners:					
Deb Coleman			Senior. Manager		Government Programs Compliance
Fran Free			Director		Government Programs Compliance
Approved:					
Kim Green			Government Program Compliance Officer		Government Programs Compliance
Initial Approval Date: 04/21/2011 Current Board Approval Date: 12/09/2014					
Regulation Requirement:					
42 C.F.R. §§ 422.503(b)(4)(vi)(D),(F) and (G), 423.504(b)(4)(vi)(D),(F)					
Purpose					
The purpose is to comply with the CMS guidelines related to fraud, waste and abuse as defined in 42 C.F.R. §§ 422.503(b) (4) (vi) (D), (F) and (G), 423.504(b) (4) (vi), (d)-(e) (D), (F) and (G).					
Scope					
This policy applies to HCSC employees, including the chief executive and senior administrators, managers, governing body members and FDRs who are involved in the administration or delivery of the Government Programs (GP) referenced above.					
Policy					
HCSC is committed to the prevention, early detection and resolution of fraud, waste and abuse within their Government Programs. HCSC maintains a comprehensive Fraud, Waste and Abuse (FWA) Program intended to describe the efforts taken to detect, correct, and prevent fraud, waste and abuse. The Government Programs FWA Program shall be reviewed at least annually or when the rules change. Per the HCSC Code of Business Ethics and Conduct (the Code), everyone working in or with these government programs has the responsibility to recognize, prevent and report potential FWA. However, there are specific departments and FDRs that conduct day-to-day work that is specifically designed to identify potential FWA. Several functional business areas and certain key first tier entities develop and implement FWA related activities. These are outlined in the Government Programs FWA Program. The key first tier entity's FWA Plans and/or policies and procedures are a reference to the Government Programs FWA Program. The key functional business areas are responsible for identifying activities that can help prevent and detect potential FWA. In some instances this may mean the business owner works with the FDR to implement a specific activity. In other instances, it requires the business owner to develop internal processes to detect and prevent potential FWA. Each business owner is called upon to perform an annual review of the Government Programs FWA Program and make revisions/ enhancement to these activities. As new fraudulent schemes are identified, processes to prevent and detect potential FWA are developed that include reporting demonstrating the "state of compliance" of each government program related to the prevention and detection of potential FWA. These key functional areas and					

FDRs include but are not limited to:

- Argus (PBM)
- Audit Services; (AS)
- Government Programs Compliance; (GPC)
- Government Programs Division; (GPD)
- Prime Therapeutics(PBM);
- Special Investigations Department (SID)
- TMG Health (customer service, enrollment/disenrollment, premium billing vendor)

At a minimum, the GP FWA Program outlines how HCSC carries out the following FWA prevention and detection efforts:

- Use of data analysis to identify unusual patterns suggesting potential errors and/or potential fraud and abuse;
- Develop indicators that will be used to identify norms, abnormalities, and individual variables that describe statistically significant time-series trends;
- Reduce or eliminate GP benefit costs due to potential FWA;
- Reduce or eliminate potential fraudulent or abusive claims paid for with federal dollars;
- Prevent illegal activities;
- Identify enrollees with overutilization issues;
- Identify and recommend providers for exclusion or referral to the NBI MEDIC or law enforcement;
- Assist law enforcement by providing information needed to develop successful prosecutions;
- Investigate potential FWA and significant non-compliance and if it is determined that potential FWA and or significant non-compliance has occurred, self-report according to CMS guidelines;
- Refer potential Medicare FWA to the NBI MEDIC and respond to NBI MEDIC inquiries in accordance with CMS guidelines;
- Respond to CMS Fraud Alerts according to CMS guidelines;
- Identify providers with a history of complaints, maintain files as required by CMS guidelines on both in-network and out-of-network providers who have been the subject of complaints, investigations, violations, and prosecutions and;
- Educate enrollees on the identification and reporting of potential FWA.

Key FDR Fraud Plans and/or policies and procedures are a reference to the HCSC Government Programs FWA Program and further explain FWA related activities being performed by these FDRs for the Plan and for our members.

Definitions

Abuse: includes actions that may, directly or indirectly, result in: unnecessary costs to a Government Program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between “fraud” and “abuse” depends on specific facts and circumstances, intent and prior knowledge, and available evidence, among other factors.

CMS: means the Centers for Medicare and Medicaid Services.

Downstream Entity: is any party that enters into a written arrangement, acceptable to CMS, with persons or entities involved with the MA benefit or Part D benefit, below the level of the arrangement between an MAO or applicant or a Part D plan sponsor or applicant and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services. (See, 42 C.F.R. §, 423.501).

FDR: means First Tier, Downstream or Related Entity.

First Tier Entity: is any party that enters into a written arrangement, acceptable to CMS, with an MAO or Part D plan sponsor or applicant to provide administrative services or health care services to a Medicare eligible individual under the MA program or Part D program. (See, 42 C.F.R. § 423.501).

Fraud: is knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care 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 custody or control of, any health care benefit program. 18 U.S.C. § 1347.

FWA: means fraud, waste and abuse.

Governing Body: means that group of individuals at the highest level of governance of the sponsor, such as the Board of Directors, who formulate policy and direct and control the sponsor in the best interest of the organization and its enrollees.

Government Contracts Holders: Health Care Service Corporation, a Mutual Legal Reserve Company (“HCSC”), HCSC Insurance Services Company, a wholly-owned subsidiary of HCSC (“HISC”), GHS Health Maintenance Organization, Inc. d/b/a BlueLincs HMO (“BlueLincs HMO”), AHS-Tulsa Oklahoma Health Plan, Inc. d/b/a Lovelace Medicare Plan (“AHS”), GHS Property and Casualty Insurance Company (“GHS P&C”) or any other HCSC or affiliate that holds a Government Programs contract (each a “Government Contract Holder” and collectively “Government Contract Holders”).

Government Programs: means the operations of any Medicare Advantage, Medicare Part D, or Medicaid contracts.

NBI MEDIC: means National Benefit Integrity Medicare Drug Integrity Contractor (MEDIC), an organization that CMS has contracted with to perform specific program integrity functions for Parts C and D under the Medicare Integrity Program. The NBI MEDIC’s primary role is to identify potential FWA in Medicare Parts C and D.

Pharmacy Benefit Manager (PBM): is an entity that provides pharmacy benefit management services, which may include contracting with a network of pharmacies; establishing payment levels for network pharmacies; negotiating rebate arrangements; developing and managing formularies, preferred drug lists, and prior authorization programs; performing drug utilization review; and operating disease management programs. Some sponsors perform these functions in-house and do not use an outside entity as their PBM. Many PBMs also operate mail order pharmacies or have arrangements to include prescription availability through mail order pharmacies. A PBM is often a first tier entity for the provision of Part D benefits.

Related Entity: means any entity that is related to an MAO or Part D sponsor by common ownership or control and

- (1) Performs some of the MAO or Part D plan sponsor's management functions under contract or delegation;
- (2) Furnishes services to Medicare enrollees under an oral or written agreement; or
- (3) Leases real property or sells materials to the MAO or Part D plan sponsor at a cost of more than \$2,500 during a contract period. (See, 42 C.F.R. §423.501).

SID: means the Special Investigations Department, HCSC's Special Investigations Unit.

Waste: is the overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to the Medicare program. Waste is generally not considered to be caused by criminally negligent actions but rather the misuse of resources.

Additional Resource

Prescription Drug Benefit Manual, Chapter 9 – Compliance Program Guidelines

Medicare Managed Care Manual, Chapter 21 – Compliance Guidelines

HCSC Government Programs Fraud, Waste and Abuse Program

Prime Therapeutics Fraud Plan

TMG Fraud Policy and Procedures

Argus FWA Program

Review Date	Effective Date	Author	Description of Changes
08/05/2014	12/09/2014	Deb Coleman	Deleted State references since Special Investigations has procedures covering this process.
04/14/2014	05/06/2014	Deb Coleman Fran Free	Policy language extracted and updated from the 2/26/2013 approved Policy and Procedure. GPC will now be maintaining a separate policy and a separate procedure on each government requirement.
01/23/2013	02/26/2013	Dennis Klopfle	Revised the title and incorporate language to include all government program FWA activity. Added Enterprise Health Care Management as key area involved in preventing and detecting FWA. Added regulation to the Resource section.
02/02/2012	02/20/2012	Ren Herr	Modified to reflect HCSC ownership and to include application to MA-PD
10/11/2011	11/07/2011	Fran Free	Added reference to TMG Health and Trover Solutions FWA activities and other minor changes.
03/15/2011	04/21/2011	Fran Free	Developed a high level P&P to describe the HISC FWA Program process.