GOVERNMENT PROGRAMS COMPLIANCE OFFICER NEWSLETTER

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HEALTH CARE SERVICE CORPORATION

Message from Kim Green
HCSC Government Programs Compliance Officer

Welcome to the second quarter newsletter for 2015! In this edition we will highlight the Anti-Kickback Statute, a law which helps to combat Medicare Fraud and Abuse. HCSC, as a Plan Sponsor that administers various state and federal Government Programs including Medicare Advantage, Medicare Prescription Drug Plan, MMAI and Medicaid, has a responsibility to detect and report violations of this statute. We will define the statute, share possible penalties for violation of the statues and also highlight a real case involving the violation of this statute.

As always, please remember that you are required to report any suspicious behavior or potential wrongdoing related to any government contract. You can report this information to your manager or our Medicare Compliance hotline number, which is listed below. All calls to our hotline can be made anonymously and without fear of intimidation or retaliation. As the Government Programs Compliance Officer, please know that you can always contact me directly at 312-653-5110. We encourage you to visit our website and submit any topics that you would like to read about in future newsletters.

Kim Green
HCSC Government Programs Compliance Officer

Inside this issue:

Anti-Kickback Statute

Definition

The Anti-Kickback Statute prohibits any person from knowingly and willfully soliciting or receiving any remuneration (including kickbacks, bribes or rebates) directly or indirectly, in return for patient referrals or purchasing, leasing, ordering, arranging for, or recommending any goods, facility, service or item(s) which are reimbursable under Medicare, Medicaid, or state health care programs unless an exception applies.

The Anti-Kickback Statute prohibits not only “soliciting or receiving” a kickback or remuneration, it also prohibits anyone from offering or paying one.

Penalties

Anti-Kickback violations are punishable by up to five years in prison, with the potential for additional criminal fines up to $25,000, and administrative civil money penalties reaching as much as $50,000.

Additionally, the Department of Health and Human Services’ Office of Inspector General may prohibit anyone convicted of an Anti-Kickback violation from participation in federal and state health care programs.

Examples of Possible Kickbacks

- A provider receives cash or is allowed to rent medical offices below fair market value in exchange for referrals.
- Failing to collect co-payments from patients in an attempt to gain an unfair advantage over other providers.

In a nutshell, the Anti-Kickback Statute prohibits a person or entity from paying another individual or entity to induce that individual or entity to refer items or services which may be reimbursed by a federal health care program.

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Anti Kick-back Statute vs. Physician Self Referral Law (Stark Law)

The Stark Law prohibits a physician from making a referral for certain health services to an entity in which they (or an immediate family member) has ownership or a compensation agreement. This type of referral can influence the type and quality of care that patients receive.

Although the Stark Law is a separate statute, it compliments the Anti-Kickback Statute. Both are intended to protect patients and prevent healthcare providers from taking inappropriate actions for the purpose of personal financial benefit. Please see the link below for important information on the differences between these two laws.

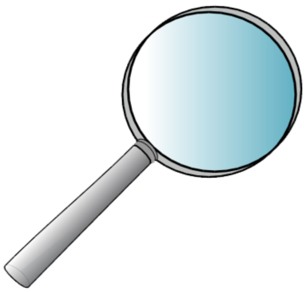
Medicare Beneficiary Pleads Guilty In Ambulance Fraud Scheme

PHILADELPHIA – Keisha Regusters, 38, of Philadelphia, PA, pleaded guilty to a fraud scheme involving kickbacks from an ambulance company. Regusters faces a possible advisory sentencing guideline range of six to 12 months in prison, up to three years of supervised release, restitution, a fine of up to $500,000, and a $200 special assessment.

In July 2010, Feda Kuran, began operating Brotherly Love Ambulance, Inc. with a co-schemer. In approximately October 2010, Keisha Regusters began being transported to dialysis by Brotherly Love, even though she could walk and could have been transported safely by means other than ambulance and was, therefore, not eligible for ambulance service under Medicare requirements. Kuran billed Medicare for those ambulance services as if they were medically necessary when she knew that they were not. Regusters accepted monthly kickback payments to induce her to continue to ride with Brotherly Love, and she solicited payments to induce her to continue to ride with Brotherly Love.

As a result of the defendant's actions and those of Brotherly Love, the Medicare program paid more than $52,000 in inappropriate bills. As a result of the overall scheme at Brotherly Love, the Medicare program was billed for more than $4.9 million and paid more than $2 million in inappropriate bills. In November 2014, Feda Kuran was sentenced to 64 months in prison.

SOURCE: U.S. Department of Justice



As seen in the example above, cases involving the Anti-Kickback Statute can be very complex. It is the responsibility of all employees to help in detecting, deterring and reporting suspected cases of fraud, including the Anti-Kickback Statute.

If you suspect a case involving this or any other instances of Fraud, Waste or Abuse, please use one of the reporting options listed below.

CONTACT INFORMATION

Email - If you have any news or questions that you would like included in the newsletter, please send an email to: hisccompliance@bcbsil.com

Fraud Hotline - Available 24/7 - Report fraud issues anonymously

- 1-800-543-0867 - for Members
- 1-877-272-9741 - for Producers, Vendors & Providers
- 1-877-211-2290 - for Employees

Visit our website: www.hisccompliance.com