Fraud, Waste, and Abuse Vendor Training HMSA's Special Investigations Unit

2025



An Independent Licensee of the Blue Cross and Blue Shield Association

FWA Training

You Will Learn

- 1. What fraud, waste, and abuse (FWA) are and how to detect it
- 2. Laws and regulations related to health care FWA
- 3. How to report FWA
- 4. HMSA's FWA policies



You Play an Important Role

Combating FWA is everyone's responsibility

- You are part of the effort to prevent it and we need you to:
 - ✓ Participate in this training
 - ✓ Understand what FWA is
 - ✓ Report suspected FWA
 - ✓ Follow our Code of Conduct
 - Review and follow the FWA Policy Manual
- You are protected when reporting in good faith
- Your actions protect members and ensure program integrity



What is Fraud?

Fraud is intentionally submitting (or attempting to submit) false information to the health care benefit program, government, or a government contractor to get money or a benefit.

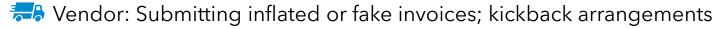
Examples of fraud:



Provider: Billing for services not provided; upcoding or unbundling services



Member: Using someone else's insurance; falsifying eligibility information



Employee: Manipulating claims for personal gain; accepting gifts for favorable treatment



What is Waste?

Waste is the over-utilization of services or other practices that directly or indirectly result in unnecessary costs. Waste is generally the misuse of resources.

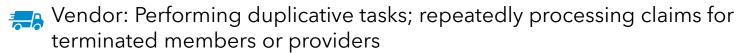
Examples of waste:

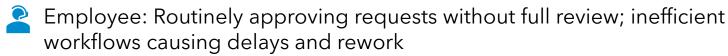


Provider: Ordering excessive tests; scheduling frequent follow-ups



Member: Going to the ER for minor issues; requesting unnecessary referrals







What is Abuse?

Abuse is actions that directly or indirectly result in unnecessary costs to any health care benefit program.

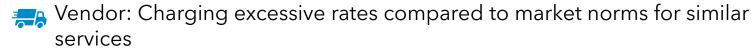
Examples of abuse:



Provider: Billing for services that are not medically necessary



Member: Providing false information for non-covered services





Employee: Favoring certain vendors or providers without proper justification



What to Look Out for: Provider FWA

Medically unnecessary services

Diagnosis billed isn't supported in the medical record

The provider bills for services not provided

Prescriptions written are primarily for controlled substances or high-cost topical drugs

The provider is writing prescriptions for higher quantities than is medically necessary

The provider bills for a more complex service than what was provided (upcoding)

The provider submits multiple claims for the same service (duplicate claims)

Provider is rendering more services than possible and/or outside of their normal business hours

Suspicious foreign medical claims



What to Look Out for: Member FWA



Prescription drug abuse



"Doctor shopping" for multiple prescriptions to treat the same medical condition



Using another person's insurance card to obtain health care services or prescriptions



Misrepresenting one's eligibility status to obtain medical benefits



Falsely adding an individual to a plan as a dependent



What to Look Out for: Internal FWA

- Up Denials of payment for medically necessary services
- ① Deliberately deterring members from receiving medically necessary services
- Falsification of information provided to the federal or state government
- \$ Paying claims that are known to be non-covered services
- Participating in unlawful marketing schemes

Federal False Claims Act

Any person who knowingly presents or causes to be presented a false or fraudulent claim to the U.S. government for payment

Intent is not required; persons and organizations can be prosecuted for conduct that leads to the submission of fraudulent claims

Examples: Knowingly making false statements, falsifying records, double-billing for items or services, or submitting bills for services or items never furnished

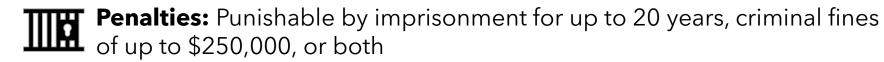
Whistleblower Provision: Allows individuals who report potential false claims to sue on behalf of the government and retain a percentage of the judgment amount (15%-30% of the money collected)



Health Care Fraud Statute

This statute makes it a criminal offense to knowingly and willfully execute or attempt to execute a scheme to defraud any health care benefit program.

 Conviction under this law doesn't require proof that the individual had actual knowledge of the law or the intent to violate the law





Anti-Kickback Statute

It's illegal to knowingly and willfully solicit, receive, offer, or pay remuneration (including any kickback, bribe, or rebate) for referrals for services that are paid in whole or in part under a federal health care program.

Penalty: Fine of up to \$25,000, imprisonment up to five years, or both



Other FWA Health Care Related Laws & Regulations

Health Insurance Portability and Accountability Act (HIPAA)

- The HIPAA Privacy Rule provides federal protections for individually identifiable health information held by covered entities and their business associates
- The Security Rule identifies administrative, physical, and technical safeguards to ensure the confidentiality, integrity, and availability of electronic-protected health information

Patient Protection and Affordable Care Act of 2010

 The Affordable Care Act established new health care fraud enforcement tools, enabled the government to more easily recover overpayments resulting from fraud, made obstruction of a fraud investigation a crime, increased the federal sentencing guidelines for large scale health care fraud offenses, and authorized greater monetary penalties for many actions associated with health care fraud

Physician Self-Referral Prohibition Statute (Stark Law)

- Stark Law prohibits physicians from referring Medicare and Medicaid patients for designated health services to a business entity with which the physician or a member of their immediate family has a financial relationship
- The affiliated entity is also prohibited from billing for services rendered from that prohibited referral

Civil Monetary Penalties Law

 The Civil Monetary Penalties Law establishes significant civil monetary penalties against individuals or entities that engage in various activities, including submitting false or fraudulent claims to a federal health care program and receiving or paying kickbacks in exchange for referral of a federal health care program beneficiary



Excluded Entities

HMSA's government plans will not make payment for items or services furnished to corresponding benefit plan members by health care providers who have been sanctioned (excluded or debarred) by the following entities:

OPM-OIG

HHS-OIG

Hawaii's Med-QUEST Division (MQD) Office of Foreign Assets Control (OFAC)

System for Award Management (SAM)

CMS



You must regularly check your employees, subcontractors, providers, and suppliers against these lists to make sure we don't hire or do business with an excluded party



FWA Reporting Expectations

- HMSA shares FWA allegation and case information with regulatory entities
- HMSA's Federal Employee Health Benefit Plans (FEHBPs) require mandatory case sharing after a preliminary investigation is conducted and an affirmative step to expand, further investigate, develop, and/or close an allegation/complaint related to FWA

Suspected or potential FWA should be reported to the Special Investigations Unit (SIU) to ensure timely case referrals to regulatory partners and/or law enforcement.

Mandatory Reporting

- HMSA is a mandatory reporter for suspected adult and/or child abuse
- If adult or child abuse is suspected, it must be promptly reported to the Department of Health and Human Services (DHS)
- For more information on reporting adult and/or child abuse, please see the Department of Human Services Social Services Division at www.humanservices.hawaii.gov



Reporting FWA to HMSA

If you suspect potential or actual FWA, report it to your HMSA vendor manager or contact, HMSA's Special Investigations Unit (SIU)

- You don't need hard evidence to report
- You don't need to catch someone red handed
- You may report anonymously and confidentially; retaliation is prohibited when you report a concern in good faith

Special Investigations Unit Fraud Hotline: (808) 948-5166

- You have the option to remain anonymous; your call won't be traced (caller ID has been disabled)
- Your FWA allegation will be handled with the appropriate level of confidentiality by an SIU staff member

Other Ways to Report FWA

- You may report concerns directly to the HMSA's Special Investigations Unit:
 - By email: Fraud&Abuse@hmsa.com
 - Online form: hmsa.com/help-center/fraud/#report



HMSA's FWA Policy Manual

Please review HMSA's FWA Policy Manual

The FWA manual is published on BlueWire in the Policies section under Knowledge

If you don't have access to BlueWire, please contact your vendor manager for a copy of the manual and appendix

