Fraud, Waste, Abuse

FY 24-25 Reasons for Fraud, Waste, Abuse and Guide for Managing FWA

Fraud, waste, and abuse defined:

Fraud means an intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person. It includes any act that constitutes fraud under applicable Federal or State law. (42 C.F.R. § 433.304, 455.2, and W&I, section 14107.11, subdivision (d))

Examples:

- Deliberately claiming for services that were not provided
- Prescribing/ordering/providing unnecessary medications, treatments, labs etc.
- Claiming reimbursement for treating an individual other than the eligible individual
- Intentionally billing for an ineligible individual

Abuse includes actions that may, directly or indirectly, result in:

Unnecessary costs or reimbursement to the Medicare 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. It also includes member practices that result in unnecessary costs to the Medicaid program. (42 C.F.R. § 455.2 and W&I, section 14107.11, subdivision (d))

Examples:

- Billing a non-covered service
- Billing a service which knowingly did not take place

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.

Examples:

- Large scale duplicative services
- Providing services/procedures/medications that are not medically necessary

Definitions for “fraud", “waste", and “abuse," as those terms are understood in the Medicare context, can also be found in the Medicare Managed Care Manual.

Via: CalAIM-BH-Initiative-FAQ-Compliance

What is NOT Fraud, Waste or Abuse?

- Selecting the incorrect Service Code/CPT Code
- Entering Incorrect service/documentation time
- Billing when the client was a “no show” or session was cancelled
- The service does not meet the definition of a SMHS
- The content of the progress note does not justify the time billed
- The note billed is not present in the chart
- The date of service of the PN does not match the date of service claimed
- Documenting non reimbursable services or including mention of “non billable” interventions during an otherwise billable note
- Service provided was not within scope of person delivering the service
- Documentation was completed but not signed
- Group services not properly apportioned to all clients present

**Among other examples, always consult with QA if you are unsure*

Suspected fraud, waste, and/or abuse:

What can Raise an Inference of FWA?

- Repeated pattern of unnecessary services
  - Example: and “assembly line” or non-individualized treatment plans/patterns or “cookie cutter” progress notes
- Pattern of knowingly false statements on billings, or corresponding progress notes
  - Example: Deliberately listing wrong location of service or provider to conceal license/eligibility issues
- Intentional concealment of known errors or overpayments
  - Example: Use of inaccurate statements, or deliberate failure to disclose facts in response to audit questions

Any suspected fraud, waste, and/or abuse should be reported immediately to Program COR as well as the BHA QA Team at QIMatters.HHSA@sdcounty.ca.gov for further investigation.

Please note: DHCS has updated their ‘Reasons for Recoupment’. Programs should not self-disallow services unless specifically instructed to do so by County QA or COR.

Evidence found of fraud, waste, and/or abuse:

Fraud, Waste, Abuse

All reporting of FWA shall include contacting your program COR immediately, as well as the BHS QA Team at QIMatters.HHSA@sdcounty.ca.gov

Any potential findings of fraud, waste, or abuse must be reported to the DHCS State Medicaid Fraud Control unit by phone, online form, email, or mail by the Program:

- **Phone:** 1-800-822-6222
- **Email:** fraud@dhcs.ca.gov
- **Mail:** Medi-Cal Fraud Complaint – Intake Unit Audits and Investigations:
  - P.O. Box 997413; MS 2500 Sacramento, CA 95899-7413