

The Real Cost of Insurance Fraud

LDI Conference – March 4, 2020

Kandyce S. Cowart, CFE, AHFI
Manager, Federal Investigations
Financial Investigations Department

Brice L. Mohundro, PharmD, BCACP
Clinical Pharmacist, Population Management
Pharmacy Services Department



Blue Cross and Blue Shield of Louisiana is an independent licensee of the Blue Cross and Blue Shield Association.

What does healthcare fraud look like?

The most common types of healthcare fraud include:

- Billing for services that were never rendered
- Prescriptions with no physician/patient relationship
- Misrepresenting non-covered treatments
- Doctor shopping/pill mills
- Identity theft
- Falsifying residency to obtain coverage
- Accepting kickbacks for patient referrals



Blue Cross and Blue Shield of Louisiana Financial Investigations Department

To detect, investigate and prevent all forms of insurance fraud:

- Fraud involving employees, agents, members, groups, or providers;
- Fraud from misrepresentations in the application, renewal, or rating of insurance policies;
- Fraudulent medical claims; and
- Fraudulent prescription drug claims.



Educate employees,
members, providers
& producers on fraud
detection



Report suspected fraudulent
acts to the LDI, law
enforcement & other
regulatory agencies



Respond to
government requests
for information



Pursue restitution
for financial loss
caused by insurance
fraud

Financial Investigations Department

Government Collaboration

- Open communication and information sharing benefits both government and private payers in preventing fraud, waste and abuse.
- Data analytics is key to detecting and preventing fraud, waste and abuse in a timely manner.
 - Leading-edge technology
 - Annual comprehensive risk assessments
 - Pre-pay reports that demonstrate red flags
- The government and private payors need each other to help combat healthcare fraud, waste and abuse.

Community Partnerships

- Liaison with law enforcement
- Drug Take-Back Day
- Drug Drop Boxes





Current Risk Areas

Current Risk Areas



Telemedicine



Identity Theft



Durable Medical
Equipment



- Prescription Drug Fraud:
- Opioids
 - Doctor Shopping/Pill Mills



Drug Rehabilitation
Fraud



Exchange Fraud



Lab Schemes

Telemedicine



- Not “Telemedicine” – it’s “telemarketing”
- Usually starts with Facebook or an internet link – then a cold call
- A call with the prescribing physician (or not)?
- Member begins receiving high dollar creams or durable medical equipment
- Most members do not use the products
- Some members never receive the product or never had the phone conversation

Durable Medical Equipment



Direct solicitation of beneficiaries who have not requested equipment

- Facebook, church seminar, or “wellness fair”
- Unsuspecting consumers receive bills for huge out-of-pocket expenses

Durable medical equipment suppliers send the supplies anyway

- Equipment arrives, members confused
- No bill to the members
- Auto re-fills for months = unopened boxes stacked in the closet

Lab Schemes



- Testing for panels with no medical necessity
- Routine testing ordered with no indication such testing necessary
- Running more panels than ordered
- Hospitals billing for urine drug testing that they are not performing

Opioid epidemic is fueling new lab fraud schemes

- Labs taking advantage by performing unnecessary testing
- Testing for opioids on patients with no risk factors or history

Health Insurance Exchange (HealthCare.gov)



- Eligibility Fraud
- Application forgery
- Residency document forgery
- Receiving services for substance abuse
- Transplants

Identity Theft



- Medical identity theft and identity theft in general are prevalent issues
- Medical identity theft presents real physical danger
- Review mail being delivered to your home
- Report mail being delivered to your address that belongs to an unknown individual
- Consider an identity theft protection plan for your family

Drug Rehabilitation Fraud

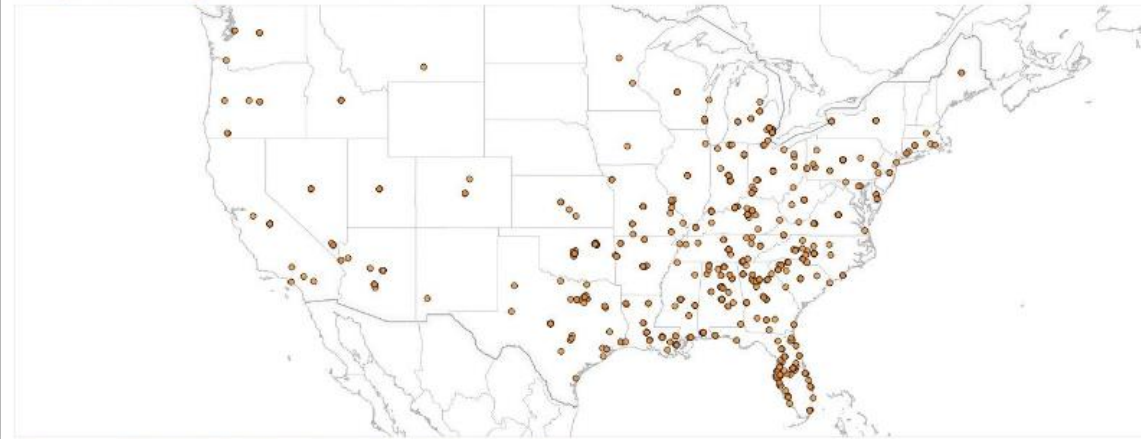


- Billing for a higher level of care than what is being provided
- Generating frequent charges for urine drug testing
- “Body Broker” involvement
- Recent trend of convictions where criminal behavior is prevalent

Doctor Shopping/ Pill Mill



Top 1,000 prescriber locations



Data source: CMS, 2013-2015. Produced by Tom Wright/FOX 8 New Orleans.

Doctor Shopping

- Beneficiaries seeing multiple physicians for the same or similar drugs and obtaining them fraudulently

Prescriber Pill Mills

- Prescribers not checking or ignoring state prescription monitoring databases
- Patients paying cash for prescriptions
- Sex or favors being offered for prescriptions
- Overdoses and deaths

Newest Trend – Expensive Foot Baths



Bath Irrigation

- Bacterial infections
- Fungal infections
- Inflammation
- Itching
- Nail infections
- Thick, scaly skin conditions

Questionable efficacy for expensive therapy

Being signed by podiatrists – Prescriptions are legal but driven by marketing

Prescriptions arrive pre-checked – Also note MD approved change of sig preprinted

- Multiple prescription Ingredients being dispensed
- Doubtful that all ingredients will go into solution, more doubtful that the medication will penetrate the skin of the feet
- Costs are ranging from \$6,000 to \$18,000 per month
- Also seeing injectable prescriptions as ingredients

Newest Trend – Expensive Foot Baths

Currently billed in one of three manners:

- 1) Combos Billed as Single Items – GPIs
- 2) Additional Products
- 3) Compounded Prescriptions



Actual foot bath prescription received by patient. Podiatrist set up a prescription and delivery with pharmacy to continue indefinitely.



Community Involvement

Drug Take Back Day

April 27, 2019, Baton Rouge Event

- Collected more than 1,000 pounds of old, unused or unwanted medication
- from 250 visitors
- and filled 33 boxes

April 25, 2020, Baton Rouge Event

Educate community and promote event with paid advertising and public relations

- Press releases
- Morning show appearances
- Radio and TV PSAs
- Radio DJ live remotes

DRUG TAKE BACK DAY IS APRIL 27, 2019

Spring clean that medicine cabinet! Drive through and drop off expired, unused or unwanted prescription drugs for safe disposal - no questions asked!

Saturday, April 27, 10 a.m. - 2 p.m.
Baton Rouge Police Department Headquarters
(Airline Hwy at Goodwood Boulevard)

LEARN ABOUT SOME OF THE RESOURCES THAT HELP PEOPLE THROUGH DRUG-RELATED PROBLEMS:

- DEA Mobile Command Center
- EMS AirMed helicopter
- BRPD K-9 unit
- Louisiana Society of Health-system Pharmacists
- Acadian Ambulances
- BRPD on horseback
- And more!

Presented by the DEA, state and local law enforcement and first responders, Blue Cross and Blue Shield of Louisiana and Baton Rouge Health District partners. - No liquids or sharps (syringes) please -

Louisiana | **Health District**
www.bcbsla.com/SaferPainCare | www.BRHealthDistrict.org

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- Acadian Ambulance
- AirMed Helicopter
- BRPD K-9 Unit & Mounted Patrol
- BR Fire
- Louisiana Society of Health-system Pharmacists
- and more!

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Prescription Drug Drop Box Program

Initiated a partnership with the **National Association of Drug Diversion Investigators (NADDI)**

2015

2016

Approximately
30 boxes placed
across Louisiana

Partnership with **Louisiana Attorney General's Office** formed

2017

2018

Reached
55 boxes in
35 parishes

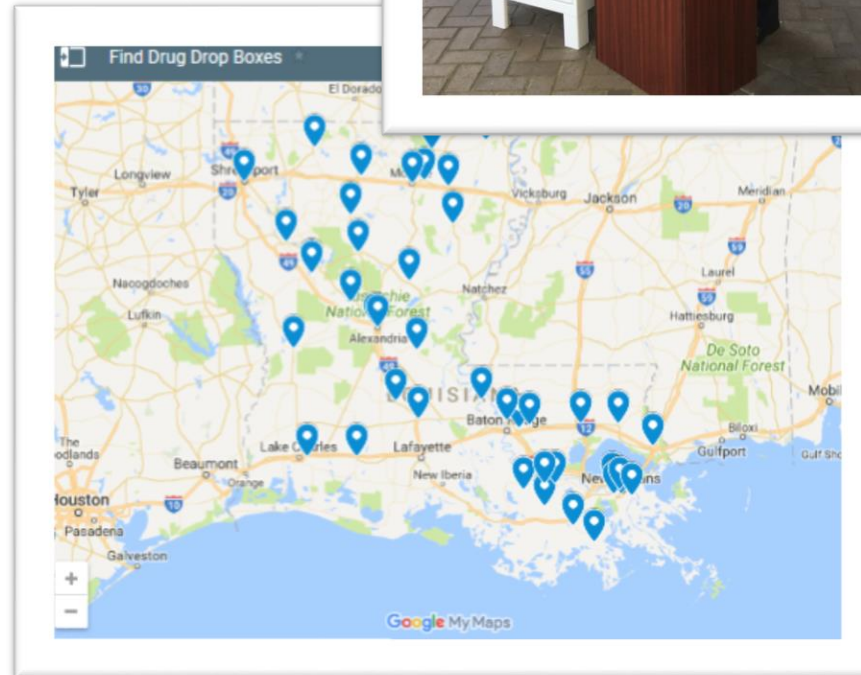
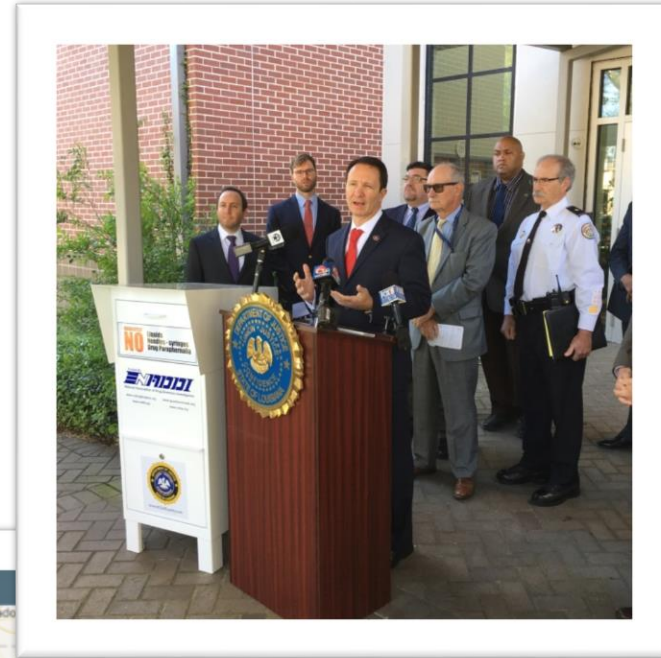
To date, there are a total of **70 boxes** in **46 parishes**.

2019

Safe Disposal of Unused/ Leftover Prescription Drugs

- Blue Cross partnered with the **National Association of Drug Diversion Investigators** to get drug take-back boxes installed in communities around the state.
- With the support of Louisiana **Attorney General Jeff Landry** and local law enforcement agencies in parishes across Louisiana, along with Blue Cross **Community Relations** funding, we've been able to increase access to safe drug disposal options for more state residents.

bcbsla.com/safedrugdrop





Response to the Opioid Crisis

Blue Cross Opioid Policy



In order to set appropriate coverage guidelines, Blue Cross developed this policy after considering a breadth of...

- clinical guidelines,
- industry best practices,
- state regulatory requirements, and
- our own member population.

Our Goals

- 1) Decrease the amount of opioids in the community.
- 2) Minimize the number of patients becoming chronic opioid users.

2016 Opioid Utilization Data



3.7% Opioids account for 3.7% of prescription claims.

21% 21% of members with our pharmacy benefits had at least one claim for an opioid prescription in 2016.

94% 94% of opioid prescriptions are for short-acting opioids.



Top prescribing specialties include (in no particular order): primary care specialties, pain management, orthopedists, dentists/oral surgeons and others.

Opioid Health Plan Strategy

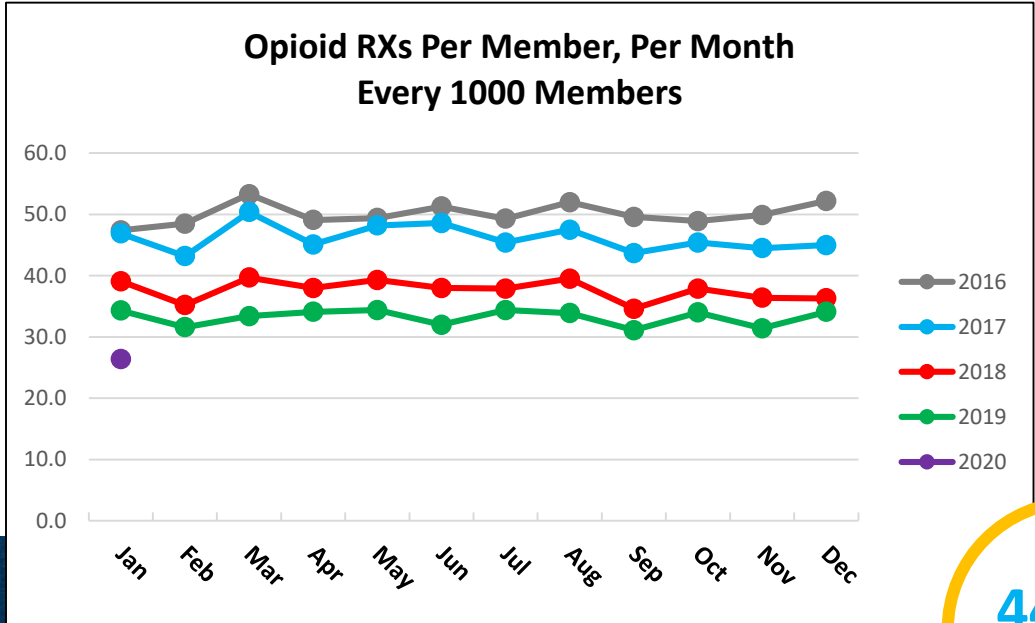


In late 2016, Blue Plans were tasked to address the opioid epidemic. About the same time, Louisiana Medicaid/Louisiana Department of Health developed an opioid drug policy and asked us to do the same.

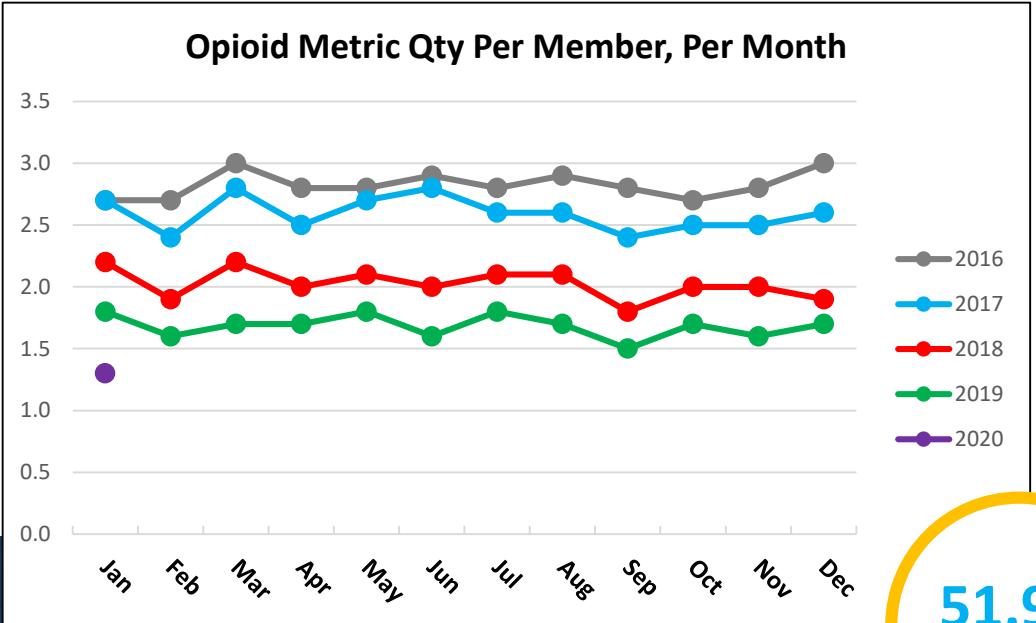
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| 2016 | <ul style="list-style-type: none">• Educated providers on the Centers for Disease Control and Prevention guidelines for prescribing opioids• Created an internal opioid workgroup to tackle the tasks ahead |
| 2017 | <ul style="list-style-type: none">• Collaborated with Louisiana Medicaid/Louisiana Department of Health• Developed our opioid program and coverage policy• Partnered with the Louisiana Attorney General's office for more drug drop boxes• Became an active participant on the Baton Rouge Health District Opioid Task Force• Educated providers and members about the new opioid program |
| 2018 | <ul style="list-style-type: none">• Blue Cross and Blue Shield of Louisiana implemented its new opioid overutilization policy Jan. 1, 2018. |
| 2019 | <ul style="list-style-type: none">• We saw a 20% reduction in opioid prescriptions per 1,000 members and a 23% reduction in the number of opioid pills, capsules or tablets per member per month. |



Opioid Utilization 2016-2020



44.3%
↓



51.9%
↓



Thank you!

Kandyce Cowart
Manager, Federal Investigations
225-295-2073
Kandyce.Cowart@bcbsla.com

Brice L. Mohundro, PharmD, BCACP
Clinical Pharmacist, Population Management
225-298-1776
Brice.Mohundro@bcbsla.com