The Real Cost of Insurance Fraud

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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
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
- Drug Rehabilitation Fraud
- Exchange Fraud
- Lab Schemes

Prescription Drug Fraud:
- Opioids
- Doctor Shopping/Pill Mills
• 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
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
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
- Eligibility Fraud
- Application forgery
- Residency document forgery
- Receiving services for substance abuse
- Transplants
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

- 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

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

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

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

2015

Approximately 30 boxes placed across Louisiana

2016

Partnership with Louisiana Attorney General’s Office formed

2017

Reached 55 boxes in 35 parishes

2018

To date, there are a total of 70 boxes in 46 parishes.
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/safedrug drop
Response to the Opioid Crisis
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.
Opioids account for 3.7% of prescription claims.

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

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.

Based on Blue Cross 2016 Claims Data. Excludes opioids prescribed by oncologists.
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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<th>Year</th>
<th>Actions</th>
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| 2016 | • 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 | • 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 | • Blue Cross and Blue Shield of Louisiana implemented its new opioid overutilization policy Jan. 1, 2018. |
| 2019 | • 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

Opioid RXs Per Member, Per Month
Every 1000 Members

Opioid Metric Qty Per Member, Per Month

Based on Blue Cross claims for commercial members.
Thank you!

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