

## Preventing Fraud, Waste, and Abuse in Medicaid Home Health Services and Durable Medical Equipment

Medicaid made an estimated \$29.12 billion in improper payments in fiscal year 2015. That was 9.78 percent of the total payments and more than double the 2013 improper payment amount.[1, 2] The percentage had steadily decreased from 2008 through 2013, but turned upward in 2014.[3, 4]

Medicaid has been designated a high-risk program “particularly vulnerable” to improper payments from fraud, waste, and abuse.[5] Fighting the inappropriate loss of health care dollars is a priority for the government, and physicians can play a significant role in the fight against it in all areas of Medicaid, including home health services and durable medical equipment (DME).

### Medicaid Home Health Services

Medicaid home health services are mandatory under Section 1902(a)(10)(D) of the Social Security Act, and States cannot deny or reduce services based on a patient’s medical condition.[6, 7] These home health services include:

- Skilled nursing services;
- Home health aides; and
- Medical supplies, medical equipment, and appliances suitable for use in any setting where normal life activities happen. Beginning July 1, 2016, the regulation expands the definition of DME.[8, 9]

A State may also furnish optional therapeutic services through its Medicaid home health State plan benefit.[10]



## Home Health Fraud, Waste, and Abuse

The U.S. Department of Health and Human Services, Office of Inspector General (HHS-OIG) recently released a report on questionable billing issues in home health agencies.[11] Physicians should be aware of fraudulent, abusive, or wasteful home health activities. Some examples include:

- A personal care and respite service provider and the office staff conspired to submit claims for services not delivered and altered company records, including time sheets.[12]
- A home health care provider paid for beneficiaries' DME, such as walkers and canes, that Medicare did not cover; paid for monitoring services for some beneficiaries; and gave beneficiaries gifts, all in exchange for signing up for his home health services. The same provider also paid kickbacks to staff at senior living facilities for referring these beneficiaries.[13] and
- A personal care assistant billed a Medicaid waiver program for services she never delivered and claimed dates of service during times she was traveling abroad. She was sentenced to 5 years probation for false claims and mail fraud.[14]

The Centers for Medicare & Medicaid Services (CMS) may impose “a temporary moratorium on the enrollment of new providers of services and suppliers, including categories of providers of services and suppliers.”[15] The moratoria are reviewed every 6 months and are published in the Federal Register.[16, 17]

## Coverage of Durable Medical Equipment

Mandatory benefits under Medicaid home health services include the coverage of “medical supplies, equipment, and appliances suitable for use in the home.”[18] These services are referred to as DME.

All DME benefits furnished to a Medicaid beneficiary must be necessary and ordered by a physician, and each State requires documentation justifying the medical need for DME and supplies that are ordered.

# How Physicians and Other Providers Can Promote Program Integrity

Physicians ordering home health services and DME play an important role in promoting integrity to minimize and prevent fraud, waste, and abuse in Medicaid programs. Providers should remember these key points.

1. Confirm eligibility
2. Include identifiers
3. Order appropriately
4. Maintain organized records
5. Educate staff
6. Practice within scope
7. Protect yourself

## Fraud and Abuse: How Do You Report Them?

To report fraud and abuse:

- Contact your State Medicaid Fraud Control Unit or State Medicaid agency. Contact information can be found on the CMS website at:  
[https://www.cms.gov/medicare-medicaid-coordination/fraud-prevention/fraudabuseforconsumers/report\\_fraud\\_and\\_suspected\\_fraud.html](https://www.cms.gov/medicare-medicaid-coordination/fraud-prevention/fraudabuseforconsumers/report_fraud_and_suspected_fraud.html)
- Contact the HHS-OIG:  
Office of Inspector General  
U.S. Department of Health and Human Services  
ATTN: Hotline  
P.O. Box 23489  
Washington, DC 20026  
Phone: 1-800-HHS-TIPS (1-800-447-8477)  
TTY: 1-800-377-4950  
Fax: 1-800-223-8164  
Email: [HHSTips@oig.hhs.gov](mailto:HHSTips@oig.hhs.gov)  
Website: <https://forms.oig.hhs.gov/hotlineoperations/>

## Resources

To see the electronic version of this fact sheet and the other products included in the “Home and Community-Based Services” Toolkit, visit the Medicaid Program Integrity Education page at <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS website.

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