

# Key Message and Tips for Providers: Common Types of Fraud and Abuse



## Message

Medicaid fraud occurs when a person knowingly executes, or attempts to execute, a scheme that could result in an unauthorized benefit. Medicaid abuse occurs when provider or supplier practices directly or indirectly “result in an unnecessary cost to the Medicaid program.”[1]

Most physicians are not complicit in fraud or abuse. There are cases, however, where physicians have participated in an illegal scheme. Medicaid fraud can lead to civil monetary penalties, criminal fines and restitution, prison, and exclusion from public health care programs.[2, 3, 4, 5, 6, 7]

You can help fight fraud and abuse in the Medicaid system.

## TIPS

Knowing and following these tips improves billing; helps fight fraud, waste, and abuse; and helps strengthen the integrity of the Medicaid program:

- Check Medicaid patient eligibility on a regular basis;
- Bill only for covered services provided to eligible beneficiaries;
- Document, authorize, and justify the medical need for services provided;
- Do not sign blank medical services documents;
- Do not unbundle or upcode services;
- Do not order unnecessary services;
- Contact the State Medicaid agency if you discover incorrectly billed claims;[8, 9] and
- Check with your State Medicaid agency for information about services in your area since these programs vary from State to State.

For more information about Medicaid Program Integrity, visit <https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/Medicaid-Integrity-Education/edmic-landing.html> on the CMS Medicaid Program Integrity Education website.

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- 1 Definitions, 42 C.F.R. § 455.2. Retrieved May 18, 2015, from <http://www.gpo.gov/fdsys/pkg/CFR-2011-title42-vol4/xml/CFR-2011-title42-vol4-sec455-2.xml>
- 2 U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. Medicare Learning Network. (2014, October). Medicaid Program Integrity: Understanding and Preventing Provider Medical Identity Theft (p. 3). Retrieved May 15, 2015, from <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Med-ID-Theft-Booklet-ICN908264.pdf>
- 3 Agrawal, S., & Budetti, P. (2012, February 1). Physician Medical Identity Theft. The Journal of the American Medical Association, 307(5), 459–460. Retrieved May 18, 2015, from <http://jama.jamanetwork.com/article.aspx?articleid=1104942>
- 4 Social Security Act § 1128A(a)(1)(3). Civil Monetary Penalties. Retrieved May 18, 2015, from [http://www.ssa.gov/OP\\_Home/ssact/title11/1128A.htm](http://www.ssa.gov/OP_Home/ssact/title11/1128A.htm)
- 5 False Claims, 31 U.S.C. § 3729(a) and (b). Retrieved May 18, 2015 from <http://www.gpo.gov/fdsys/pkg/USCODE-2013-title31/html/USCODE-2013-title31-subtitleIII-chap37-subchapIII-sec3729.htm>
- 6 False, Fictitious, or Fraudulent Claims, 18 U.S.C. § 287. Retrieved May 18, 2015, from <http://www.gpo.gov/fdsys/pkg/USCODE-2013-title18/html/USCODE-2013-title18-partI-chap15-sec287.htm>
- 7 Social Security Act § 1128(b)(6)(B). Exclusion of Certain Individuals and Entities From Participation in Medicare and State Health Care Programs. Retrieved May 18, 2015, from [http://www.ssa.gov/OP\\_Home/ssact/title11/1128.htm](http://www.ssa.gov/OP_Home/ssact/title11/1128.htm)
- 8 U.S. Department of Health and Human Services. Centers for Medicare & Medicaid Services. (2015, January 1). The National Correct Coding Initiative Policy Manual for Medicaid Services. Chapter A: Introduction. Retrieved May 15, 2015, from <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/National-Correct-Coding-Initiative.html>
- 9 Social Security Act. § 1128J(d). Retrieved May 15, 2015, from [http://www.ssa.gov/OP\\_Home/ssact/title11/1128J.htm](http://www.ssa.gov/OP_Home/ssact/title11/1128J.htm)