

Partners in Integrity: Preventing Fraud, Waste, and Abuse in Medicaid Home Health Services and Durable Medical Equipment

“Every year we lose tens of billions of dollars in Medicare and Medicaid funds to fraud. Those billions represent health care dollars that could be spent on medicine, elder care, or emergency room visits, but instead are wasted on greed.”[1]

—Eric Holder, Attorney General of the United States

Medicaid has been designated a high-risk program “particularly vulnerable” to fraud, waste, abuse, and improper payments.[2] Fighting the inappropriate loss of health care dollars is a high government priority, and physicians have the potential to play a significant role in the fight against it in all areas of Medicaid, including home health and durable medical equipment (DME).

Medicaid Home Health Services

Medicaid home health services are a mandatory service under Section 1902(a)(10)(D) of the Social Security Act.[3] These home health services include:

- Skilled nursing services;
- Home health aides; and
- Medical supplies, medical equipment, and appliances suitable for use in the home.

A State may also furnish optional therapeutic services through its Medicaid home health State plan benefit.[4]

Home Health Fraud, Waste, and Abuse

Physicians should be aware of home health activities that are considered fraudulent, abusive, or wasteful. They can include:

- Knowingly signing a plan of care or other document falsely verifying the medical necessity of home health services;[5]
- Accepting compensation (for example, bribes or kickbacks) for ordering services, whether they are medically necessary or not;[6] and
- Authorizing home health services without verifying the medical necessity of a current plan of care for a beneficiary not under the physician’s care.[7]

Durable Medical Equipment Services

Mandatory benefits under Medicaid home health services include the coverage of “medical supplies, equipment, and appliances suitable for use in the home.”[8] These services can be referred to as DME.

All DME benefits furnished to a Medicaid beneficiary must be necessary and ordered by a physician. Each State requires documentation justifying the medical need for DME and supplies 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. The following are key points for providers to remember.

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. Their contact information can be found at http://www.cms.gov/medicare-medicaid-coordination/fraud-prevention/fraudabuseforconsumers/report_fraud_and_suspected_fraud.html on the Centers for Medicare & Medicaid Services (CMS) website.

Contact the U.S. Department of Health and Human Services, Office of Inspector General:

Office of Inspector General
U.S. Department of Health and Human Services
ATTN: Hotline
P.O. Box 23489
Washington, D.C. 20026
Phone: 1-800-HHS-TIPS (1-800-447-8477)
TTY: 1-800-377-4950
Fax: 1-800-223-8164
E-mail: HHSTips@oig.hhs.gov
Website: <https://forms.oig.hhs.gov/hotlineoperations/>

Resources

For more information, download the “Preventing Fraud, Waste, and Abuse in Medicaid Home Health Services and Durable Medical Equipment” booklet available at http://www.cms.gov/medicare-medicaid-coordination/fraud-prevention/fraudabuseforconsumers/report_fraud_and_suspected_fraud.html on the CMS website.

References

1 U.S. Department of Health and Human Services. (2009, May 20). Attorney General Holder and HHS Secretary Sebelius Announce New Interagency Health Care Fraud Prevention and Enforcement Action Team. Retrieved July 9, 2014, from <http://www.justice.gov/opa/pr/2009/May/09-ag-491.html>

2 U.S. Government Accountability Office. (2011, March 9). Medicare and Medicaid Fraud, Waste, and Abuse. Effective Implementation of Recent Laws and Agency Actions Could Help Reduce Improper Payments. Statement of Kathleen M. King. Director, Health Care. Retrieved July 9, 2014, from <http://www.gao.gov/assets/130/125646.pdf>

3 Social Security Act § 1902(a)(10)(D). State Plans for Medical Assistance. Retrieved July 9, 2014, from http://www.socialsecurity.gov/OP_Home/ssact/title19/1902.htm

4 Social Security Act § 1915(c). Provisions Respecting Inapplicability and Waiver of Certain Requirements of This Title. Retrieved July 9, 2014, from http://www.ssa.gov/OP_Home/ssact/title19/1915.htm

5 U.S. Department of Justice. (2014, April 1). Physician Pleads Guilty for Role in Detroit-Area Medicare Fraud Scheme. Retrieved July 9, 2014, from <http://www.justice.gov/opa/pr/2014/April/14-crm-330.html>

6 U.S. Department of Justice. (2014, April 1). Physician Pleads Guilty for Role in Detroit-Area Medicare Fraud Scheme. Retrieved July 9, 2014, from <http://www.justice.gov/opa/pr/2014/April/14-crm-330.html>

7 U.S. Department of Justice. (2014, March 31). Father and Son Sentenced to Lengthy Federal Prison Sentences on Conspiracy and Health Care Fraud Convictions. Retrieved July 9, 2014, from http://www.justice.gov/usao/txn/PressRelease/2014/MAR2014/mar31StJohn_sent.html

8 Home Health Services, 42 C.F.R. 440.70(b)(3). Retrieved July 9, 2014, from <http://www.ecfr.gov/cgi-bin/text-idx?SID=e8fc386c61abf3fc11a176e9ee077368&node=42:4.0.1.1.9.1.112.9&rgn=div8>

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