

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

Medicaid made an estimated \$14.4 billion (5.8 percent) in improper payments in fiscal year 2013.[1] The percentage has steadily decreased from 2008.[2] Even with the decreases, the Government Accountability Office recently emphasized the need for increased oversight on managed care expenses.[3]

Medicaid has been designated a high-risk program “particularly vulnerable” to fraud, waste, abuse, and improper payments.[4] Fighting the inappropriate loss of health care dollars is a high priority for the government, and physicians have the potential to 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 a mandatory service under Section 1902(a)(10)(D) of the Social Security Act.[5] These home health services include:

- Skilled nursing services;
- Home health aides; and
- Medical supplies, medical equipment, and appliances suitable for use in the home.[6]

A State may also furnish optional therapeutic services through its Medicaid home health State plan benefit.[7]

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.[8] Physicians should be aware of home health activities that are considered fraudulent, abusive, or wasteful. Examples of these activities 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;[9]
- A home health care provider paid uncovered costs for beneficiaries’ DME and gave beneficiaries gifts 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;[10] and
- A provider billed for in-home services that were not medically necessary and that were not delivered by certified mental health workers. In addition, the provider paid a marketing firm for the referrals.[11]

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.”[12] The moratoria are reviewed every 6 months and are published in the Federal Register.[13, 14]

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.”[15] 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. 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. Visit https://www.cms.gov/medicare-medicaid-coordination/fraud-prevention/fraudabuseforconsumers/report_fraud_and_suspected_fraud.html on the CMS website.

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
Website: <https://forms.oig.hhs.gov/hotlineoperations/>

Resources

To see the electronic version of this fact sheet and the other products included in the “Partners in Integrity” 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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References

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