



Office of Financial Management

MEMORANDUM

To: Medicare Advantage Organizations
Medicare Part D Sponsors

From: Kimberly Brandt, Director /s/
Program Integrity Group
Office of Financial Management

Date: March 25, 2009

Re: Infusion Therapy Fraud

A scheme involving billing for fraudulent infusion services has migrated from the Medicare Fee-for-Service Program into Medicare Advantage (MA). The fraudulent billing primarily involves beneficiaries and providers from Florida and Georgia; however, there have been anecdotal reports that the scheme is moving into Ohio, Louisiana, and Mississippi.

Scheme Characteristics

The scheme involves fraudulent billing of high cost infusion therapy in physicians' offices or group practices ("clinics"). The services on the bills reflect drug combinations that are medically contraindicated and would result in severe beneficiary harm or death if administered as billed. The HCPCS codes begin with the J and Q prefix, e.g., J2792 and Q4092.

Pattern of Activity

The fraud scheme starts by enrolling disabled and/or dual eligible beneficiaries into MA plans (primarily Private Fee-for-Service, Regional Preferred Provider Organizations (PPOs), and local PPOs). The following activities warrant your special attention:

Enrollment

- Receiving enrollment requests in the last days of a month followed by submission of high cost claims in the initial days of the following month.
- Beneficiary address changes that occur within weeks of an online enrollment
- Multiple enrollments that list the same email address and/or same telephone number.
- Beneficiaries who use words that are unusual for the beneficiary population, e.g., Low-Income Subsidy eligible.
- Beneficiaries contacting Medicare Advantage Organizations (MAO) in areas where the MAO has not advertised.
- Changing a beneficiary's telephone number to a cell phone number so that the Plan cannot contact the beneficiary to verify enrollment.

Claims

- Combinations of medications that are medically contraindicated
- Number and frequency of infusion therapies exceed the established course of treatment
- Infusion claims for beneficiaries who have low utilization of other health care services
- Claims from providers who would not ordinarily order infusion services, e.g., ophthalmologists

Please note that there are stakeholder partners, such as the Senior Medicare Patrol, which assist beneficiaries with enrollment actions. Thus, the mere presence of duplicate email addresses and/or phone numbers on enrollment requests is not necessarily indicative of a potentially fraudulent enrollment; rather, it is simply a circumstance that could warrant further review.

Also, CMS wants to make clear your obligation to process enrollment requests in a manner consistent with the MA requirements. MAOs shall not delay processing nor deny an enrollment request because of suspected potential fraud.

Requested Action

This scheme poses a serious threat to MAOs offering PFFS and PPOs. Therefore, CMS suggests that each MAO offering either product examine its recent utilization for infusion therapy. If there is a pattern of high or suspicious billing for infusion therapy, or you have information related to this scheme, please contact CMS' Medicare Drug Integrity Contractor (MEDIC), Health Integrity. Health Integrity will provide assistance with data analysis and information sharing. The Health Integrity contact is Carl Florez, and he can be reached at (904) 461-9992.

If you have any questions about this alert please contact either Faye Starcevich at (312) 353-9858 or Stephanie Kaisler at (410) 786-0957.