



**CMS 2010 BI-REGIONAL MEDICARE HEALTH PLAN COMPLIANCE  
CONFERENCE**

**Boston & New York – Serving Our Beneficiaries Together**

Verbatim Transcript

Introduction to the National Benefit Integrity MEDIC - Contractor for Fraud, Waste and Abuse - What is our  
role in uncovering fraud?

Patrick Doyle and Melissa Fannin, RN, MS, MBA

>> ALMOST AS A FOLLOW-UP

TO THE QUESTION THAT CAME AT THE  
END OF THE LAST PRESENTATION,

WE NOW WANT TO SPEND  
SOME TIME UNDERSTANDING

WHAT THE MEDICARE BENEFIT  
INTEGRITY CONTRACTOR DOES.

WHO ARE THOSE PEOPLE?

FRAUD WASTE AND ABUSE PREVENTION  
FOR US THIS YEAR

IS, AS I SAID,  
TAKING A HIGHER...

MORE HIGH VISIBILITY THAN USUAL.

IT PROBABLY WILL CONTINUE  
BECAUSE OUR EXPENDITURES

FOR MEDICARE ARE CONTINUING



TO RISE.

AS I SAID, THERE ARE MORE OF US  
WHO ARE COMING INTO MEDICARE

AS BENEFICIARIES.

AND SO TO LOOK AT THAT EMPHASIS  
HERE IN THIS CONFERENCE

SEEMED LIKE THE RIGHT THING  
TO DO,

SO WE'RE GOING TO FOLLOW UP  
THE EXTENSIVE PRESENTATION

THAT WE HAVE FROM JEAN AND JOEL

WITH A CONVERSATION WITH PATRICK  
DOYLE AND MELISSA FANNIN.

THE NATIONAL BENEFIT INTEGRITY  
MEDIC IS A LOT TO SAY,

AND SO OFTEN WE JUST SAY  
IT'S THE B.I. MEDIC.

THE B.I. MEDIC  
HAS A CORPORATE NAME.

THAT CORPORATE NAME  
IS HEALTH INTEGRITY.

SO YOU SAW  
IN ONE OF JOEL'S SLIDES

A REFERENCE TO A COMPANY,  
A CONTRACTOR, HEALTH INTEGRITY.

THAT'S WHAT IN MY LANGUAGE

NATIONAL BENEFIT  
INTEGRITY MEDIC IS.

SO IF YOU CAN KEEP  
ALL THAT LANGUAGE STRAIGHT,

YOU'RE GOING TO HEAR  
FROM PATRICK AND MELISSA,



BOTH OF WHOM WORK WITH

THE NATIONAL BENEFIT INTEGRITY  
MEDIC, OR HEALTH INTEGRITY,

AND I'LL TELL YOU  
ABOUT PATRICK FIRST

AND FOLLOW UP WITH SOME COMMENTS  
TO INTRODUCE YOU TO MELISSA.

PATRICK DOYLE  
JOINED HEALTH INTEGRITY

AS THE NATIONAL BENEFIT  
INTEGRITY MEDIC

PROGRAM DIRECTOR  
IN OCTOBER 2009

AFTER 31 YEARS  
IN LAW ENFORCEMENT.

HE SPENT 22 YEARS WITH THE  
HEALTH AND HUMAN SERVICES OFFICE

OF THE INSPECTOR GENERAL,  
THE OFFICE OF INVESTIGATIONS,

THE LAST 5 AS SPECIAL AGENT  
IN CHARGE OF REGION 3,

WHICH INCLUDES PENNSYLVANIA,  
MARYLAND, DELAWARE,

VIRGINIA, WEST VIRGINIA,  
AND THE DISTRICT OF COLUMBIA.

UNDER HIS LEADERSHIP  
AS SPECIAL AGENT IN CHARGE,

REGION 3 PRODUCED  
OVER 300 CRIMINAL CONVICTIONS

AND RETURNED OVER \$4 BILLION

TO THE GOVERNMENT

THROUGH CIVIL SETTLEMENTS



AND CRIMINAL FINES  
AND PENALTIES.

AS PROGRAM DIRECTOR  
FOR THE NATIONAL B.I. MEDIC,

MR. DOYLE HAS OVERSIGHT OF

THE NATIONAL BENEFIT INTEGRITY  
MEDIC PROGRAM

FOR THE ENTIRE UNITED STATES,

AND THAT'S BECAUSE HEALTH  
INTEGRITY, THAT COMPANY,

HAS THE ENTIRE COUNTRY  
UNDER THEIR PURVIEW.

THIS INCLUDES  
CONTRACT PERFORMANCE,

INCLUDING DAY-TO-DAY ACTIVITIES,

CLIENT MANAGEMENT WITH

THE CENTERS FOR MEDICARE  
AND MEDICAID SERVICES,

DELIVERABLES MANAGEMENT,  
HIRING, TRAINING,

AND SERVING ON  
THE QUALITY STEERING COMMITTEE.

MR. DOYLE HOLDS  
A BACHELOR OF SCIENCE DEGREE

FROM CRIMINAL JUSTICE  
FROM KING'S COLLEGE

IN WILKES-BARRE, PENNSYLVANIA,

AND HAS A MASTER OF SCIENCE  
DEGREE IN CRIMINAL JUSTICE

FROM SAINT JOSEPH'S UNIVERSITY  
IN PHILADELPHIA.

HE IS JOINED BY HIS COLLEAGUE



MELISSA FANNIN.

MS. FANNIN IS A SENIOR  
HEALTH CARE CONSULTANT

WITH CLIFTON GUNDERSON,

A SUBCONTRACTOR  
TO HEALTH INTEGRITY.

AND SHE SERVES AS A DEPUTY  
DIRECTOR OF ADMINISTRATION

FOR THE NATIONAL BENEFIT  
INTEGRITY MEDIC CONTRACT.

MS. FANNIN HAS OVER 20 YEARS  
OF EXPERIENCE IN HEALTH CARE,

RANGING FROM AN RN  
AT THE UNIVERSITY OF MARYLAND

WHERE SHE WORKED IN THE SHOCK  
TRAUMA CENTER FOR 12 YEARS.

THIS INCLUDES A POSITION HELD  
AS AN OPERATION'S MANAGER

FOR THE CRITICAL CARE  
TRANSPORT PROGRAM.

AND FROM THERE SHE TRANSITIONED  
TO THE FEDERAL GOVERNMENT

FOR ALMOST 12 YEARS  
WITH VARIED PROGRAMS

HELD IN A MULTITUDE OF SETTINGS.

SHE WORKED FOR THE CENTERS FOR  
MEDICARE AND MEDICAID SERVICES

FOR ALMOST 10 YEARS.

MS. FANNIN HELD POSITIONS  
IN THE MEDICARE FEE FOR SERVICE

MEDICAL REVIEW, MEDICARE  
MANAGED CARE ENFORCEMENT.



SHE WAS A SPECIAL ASSISTANT.

SHE WAS AN ACCOUNT MANAGER

FOR THE NEW PRESCRIPTION DRUG  
PROGRAM.

SHE WAS A PROJECT OFFICER  
AND A NURSE CONSULTANT

FOR THE MEDICARE  
INTEGRITY PROGRAM.

MS. FANNIN JOINED  
CLIFTON GUNDERSON

AS A SENIOR  
HEALTH CARE CONSULTANT

AND IS ASSIGNED FULL TIME  
TO HEALTH INTEGRITY

TO OVERSEE THE ADMINISTRATION  
OF THE DELIVERABLES

AND INTERACTIONS WITH CMS

PERTAINING TO  
THE NBI MEDIC CONTRACT.

THEY WILL BOTH TELL YOU MORE  
ABOUT HEALTH INTEGRITY

AND THE MEDICARE CONTRACT.

PLEASE WELCOME MELISSA  
AND PATRICK.

[APPLAUSE]

>> I SUDDENLY FEEL  
VERY MYSTERIOUS.

WHO ARE THOSE GUYS?

IT ALSO REMINDS ME OF THE...

THE MOVIE "BUTCH CASSIDY  
AND THE SUNDANCE KID"



WHEN THEY KEPT LOOKING  
OVER THEIR SHOULDERS

AND SEEING THE POSSE  
CHASING THEM.

"WHO ARE THOSE GUYS?"

ANYWAY, WE ARE THE NATIONAL  
BENEFIT INTEGRITY MEDIC.

AND I UNDERSTAND THAT THERE'S  
BEEN SOMEWHAT OF A CONFUSION

OVER THAT LATELY

BECAUSE AS MANY OF YOU KNOW OR  
MAYBE SOME OF YOU DON'T KNOW

THAT HERE USED TO BE, WELL,  
THERE STILL ARE 2 MEDICS,

BUT WE'RE NOW CHANGING THE WAY  
THAT THINGS WORKED IN THE PAST.

CMS RECENTLY,  
EFFECTIVE BACK IN NOVEMBER,

DECIDED TO ARRANGE THE CONTRACTS  
MORE BASED ON FUNCTION

THAN ON GEOGRAPHY,

SO HEALTH INTEGRITY  
NOW HAS THE RESPONSIBILITY

FOR FRAUD, WASTE, AND ABUSE  
NATIONWIDE

AS OPPOSED TO HAVING  
THE COMPLIANCE

AND BENEFIT INTEGRITY FUNCTIONS  
FOR THE STATES

IN THE SOUTHEASTERN PART  
OF THE COUNTRY.



SO THE CHANGE HAS GONE  
INTO EFFECT.

AND THESE ARE THE  
RESPONSIBILITIES THAT WE HAVE.

IF YOU HAVE AN ISSUE

THAT RELATES TO COMPLIANCE  
AND ENFORCEMENT,

SAFEGUARD SERVICES--SGS--

IS THE MEDIC THAT YOU NEED  
TO GO TO FOR THAT FUNCTION,

AND AGAIN,  
THAT'S ANYWHERE NATIONWIDE.

SO THIS IS WHAT WE DO NOW.

THIS IS THE ROLE THAT WE HAVE

IN COMBATING, FRAUD,  
WASTE, AND ABUSE.

WE HAVE TO TAKE IN ALL  
THE COMPLAINTS THAT COME IN.

AND I'LL GET TO A LITTLE BIT  
LATER WHERE THOSE COME FROM.

WE DO DATA AND INVESTIGATIVE  
ANALYSES.

WE CONDUCT FRAUD AUDITS,

RESPOND TO REQUESTS  
FOR INFORMATION

FROM LAW ENFORCEMENT.

PRIMARILY THAT MEANS THE DATA  
FROM A PARTICULAR BENEFICIARY

OR A PARTICULAR PHARMACY  
OR A PARTICULAR PROVIDER

SO THAT THEY CAN TELL



WHAT'S BEING BILLED

BY THAT ENTITY OR INDIVIDUAL.

WE INVESTIGATE ALLEGATIONS  
OF FRAUD.

THERE'S COMPLAINTS THAT COME IN.

NOT ALL OF THEM END UP  
BEING FRAUD RELATED.

SO WE DO AN ANALYSIS

TO DETERMINE WHICH ONES  
CAN BE RESOLVED

BY STEERING A PERSON  
TO THE CORRECT PARTY,

WHICH ONES ARE PROBABLY  
JUST AN ERROR

THAT CAN BE CORRECTED BY  
CONTACTING THE PLAINTIFF

OR THE PHYSICIAN  
OR THE PHARMACIST,

AND WHICH ACTUALLY HAVE  
SUFFICIENT INDICATIONS OF FRAUD

THAT MAKES IT A REQUIREMENT  
FOR US TO GO OUT

AND START TO LOOK INTO THAT  
A LITTLE BIT FURTHER,

TO SEE IF THERE'S A  
SIGNIFICANT INDICATION OF FRAUD

SO THAT WE CAN REFER THOSE  
TO LAW ENFORCEMENT.

AND WE DO REFER THOSE CASES  
TO LAW ENFORCEMENT

AND PROVIDE WHATEVER SUPPORT  
THEY MIGHT NEED FROM US



AS THEY CONTINUE  
THEIR INVESTIGATION.

WE ALSO RECENTLY STARTED DOING  
WHAT WE CALL

THE LOSS TO GOVERNMENT  
CALCULATIONS,

OR THE IMPACT CALCULATIONS,

TO DETERMINE  
HOW MUCH OF THE BILLINGS

ARE ACTUALLY LOST  
TO THE GOVERNMENT

OR THE PLAN OR THE BENEFICIARY.

WE ALSO,  
AS ANY GOOD ENTITY SHOULD,

AS YOU SEE THINGS DEVELOP  
IN THE PROGRAM,

LOOK FOR THINGS THAT MAYBE  
COULD BE IMPROVED,

AND I HOPE THAT YOU ALL HAVE  
THAT SAME FUNCTION

WITHIN YOUR ORGANIZATIONS.

IS THERE SOMETHING THAT'S NOT  
BEING DONE QUITE RIGHT

OR IS SOMETHING YOU COULD DO  
A LITTLE BIT BETTER

TO HELP ELIMINATE THAT FRAUD,  
WASTE, OR ABUSE

OR AT LEAST THE POTENTIAL  
FOR IT,

TO CLOSE UP ANY OF THOSE  
LOOPHOLES OR LITTLE QUIRKS

THAT MIGHT LEND THEMSELVES TO  
HELPING THE CRIMINALS



GET OUT THERE  
AND COMMIT THE FRAUD.

THE COMPLIANCE  
AND ENFORCEMENT MEDIC.

I REALLY CAN'T TALK FOR THEM,

BUT I DID WANT TO PUT UP THE  
RESPONSIBILITIES THAT THEY HAVE

BECAUSE AS I UNDERSTAND, MOST OF  
YOU ARE IN THE COMPLIANCE ARENA,

AND IT MAY BECOME IMPORTANT  
FOR YOU TO REACH OUT TO THEM

IF YOU SEE ANY OF THESE ISSUES  
WITHIN THE PLANS OR THE WORK

THAT YOU DO ON A DAILY BASIS.

AND I'M SURE THAT  
YOU'LL BE ABLE TO GET

THE INFORMATION YOU NEED,

CONTACT INFORMATION  
FROM YOUR CONTACTS WITHIN CMS

IF YOU DON'T ALREADY HAVE IT,

AND I IMAGINE THAT MOST OF YOU  
ALREADY DO.

THAT MAY BE A LITTLE BIT  
DIFFICULT FOR YOU TO READ,

BUT I DID WANT TO PUT UP  
THE ORGANIZATIONAL CHART

SO YOU CAN GET TO LEARN  
WHO ALL THOSE GUYS ARE.

AT THE VERY TOP,  
THERE IS SANDY LOVE.

SHE IS MY BOSS.



SHE'S THE CHIEF OPERATING  
OFFICER FOR HEALTH INTEGRITY

AND AS SUCH HAS OVERSIGHT

NOT JUST FOR THE NATIONAL  
BENEFIT INTEGRITY MEDIC PROGRAM,

BUT ALSO ONE OF THE ZPICS

AND ALSO ONE OF THE MEDICAID  
INTEGRITY CONTRACTS

THAT CMS ALSO HAS.

RIGHT BELOW HER IS MYSELF,

AND WE'LL JUST  
SKIP PAST THAT GUY

'CAUSE HE'S THE LEAST IMPORTANT

IN THIS WHOLE CHAIN OF FOLKS  
HERE.

BUT ON THE...EXCUSE ME 'CAUSE  
I'M A LITTLE BIT DYSLEXIC.

ON THE LEFT SIDE IS CARL FLORES,

WHO'S THE DEPUTY DIRECTOR  
FOR INVESTIGATIONS.

CARL IS A RETIRED FBI  
INVESTIGATOR AND SUPERVISOR

WHO SPENT...AH,  
HE'LL PROBABLY KICK ME

'CAUSE I MAY NOT BE RIGHT,

BUT SOMEWHERE BETWEEN 24 AND 26  
YEARS CONDUCTING INVESTIGATIONS,

A LOT OF WHICH WAS SPENT  
ON HEALTH CARE FRAUD.

DIRECTLY BELOW HIM  
IS MARTINA GILLEY,



WHO I'VE KNOWN  
FOR QUITE SOME TIME.

SHE WAS ALSO WITH THE DEPARTMENT  
OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL  
AS AN INVESTIGATOR FIRST

AND THEN AS AN ASSISTANT  
SPECIAL AGENT IN CHARGE,

AND THEN BELOW HER--NOW THAT WE  
HAVE NATIONWIDE RESPONSIBILITY,

IT BECAME TOO DIFFICULT  
FOR MARTINA TO HANDLE

ALL THE WORK THAT WAS INVOLVED

NOW THAT WE'RE WORKING  
ON A NATIONWIDE BASIS,

SO WE HIRED STEVE LANG,

WHO IS ALSO A RETIRED OFFICE OF  
THE INSPECTOR GENERAL ASAC.

MOVING OVER, WE HAVE MELISSA,

WHO'S THE DEPUTY DIRECTOR  
FOR ADMINISTRATION.

AND BELOW HER, TASHA TRUSTY,

WHO HAS THE RESPONSIBILITY  
FOR HANDLING

COMPLAINT SPECIALIST INTAKES  
AND THE MEDICAL REVIEW TEAMS,

NURSE INVESTIGATORS.

PATTY SERIO IS OUR  
DEPUTY DIRECTOR FOR DATA,

AND I'LL GET MORE INTO THE DATA  
IN A LITTLE BIT.

YOU ALREADY GOT A SYNOPSIS



OF SOME OF THAT

FROM JEAN STONE  
IN HER PRESENTATION

ABOUT WHAT YOU COULD DO  
WITH THE DATA.

MOVING ACROSS, ANDY RANK, WHO  
WORKS FOR CLIFTON GUNDERSON.

PHEONOMENAL GUY, VERY BRIGHT.

HE'S THE ONE WHO CAME UP  
WITH THE PROCESS FOR US

TO BE ABLE TO CALCULATE  
THE LOSS TO THE GOVERNMENT,

THE IMPACT  
TO THE GOVERNMENT STUDIES.

AND THEN WE HAVE  
OUR LEGAL COUNSEL

AND CHIEF MEDICAL OFFICER.

YOU CAN SEE  
WE USED TO HAVE THE 15 STATES

STARTING, I BELIEVE,  
FROM VIRGINIA,

DOWN TO FLORIDA

AND ACROSS  
AS FAR AS NEW MEXICO,

AND WE HAD INVESTIGATORS  
IN PLACE THERE.

NOW WE ARE A NATIONWIDE FRAUD,  
WASTE, AND ABUSE CONTRACTOR.

WE HAD TO BRING ON MORE PEOPLE

AND PUT THEM IN VARIOUS PLACES  
ACROSS THE COUNTRY,

AND THIS IS WHERE THEY ARE



RIGHT NOW.

AND AGAIN, I DON'T KNOW IF YOU  
CAN READ THOSE NAMES,

BUT YOU CAN SEE  
THE CONCENTRATION AREAS:

FLORIDA, THE NEW YORK AREA,  
BOSTON, DETROIT, CHICAGO,

THE McALLEN, TEXAS, AREA.

WE HAVE AN INVESTIGATOR  
DOWN THERE.

I KNOW GENE MENTIONED THAT  
AS A HOT SPOT FOR FRAUD,

AND IT IS INDEED.

AND ALSO OUT  
IN THE SOUTHERN CALIFORNIA,

WHICH IS A HOT SPOT.

THESE ARE WHERE WE HAVE  
OUR INVESTIGATORS.

AS WE SEE THINGS DEVELOP AND CAN  
SORT OF ANALYZE THE WORKLOAD

AS IT COMES ACROSS  
IN THE COMPLAINTS

AND THE WORK THAT'S OUT THERE,

WE MAY SHIFT PEOPLE  
OR BRING ADDITIONAL PEOPLE ON

IN OTHER AREAS, BUT FOR NOW,  
THAT'S WHERE WE ARE.

>> COMPLAINT INTAKE.

THEY COME FROM A VARIETY  
OF SOURCES.

THEY COME FROM THE PLANS.



THEY COME FROM THE SMPs.

THEY COME FROM CMS AT TIMES.

OCCASIONALLY  
THEY ACTUALLY COME TO US

FROM A MEMBER OF CONGRESS.

WE HAVE OUR HOTLINE,  
1-877-7SAFERX.

WE GET COMPLAINTS FROM THERE.

WE GET COMPLAINTS  
FROM THE OIG HOTLINE,

WE GET THEM THROUGH THE MAIL,  
WE GET THEM THROUGH FAX,

AND WE GET THEM INTERNALLY,

AND WHEN I SAY INTERNALLY,

THAT'S WHERE IT COMES INTO THAT  
DATA UNIT THAT WE HAVE,

THE REALLY BRIGHT PEOPLE  
WHO WORK,

THEY TRY TO FIGURE OUT  
WHAT TRENDS ARE OUT THERE,

WHAT AREAS WE SHOULD  
BE LOOKING AT

TO SEE IF THERE IS INDICATIONS  
OF FRAUD.

PROACTIVE ANALYSIS.

AND AGAIN, JEAN WAS ALLUDING  
TO THIS IN HER WORK,

SO I DON'T WANT TO--  
OR IN HER PRESENTATION--

SO I DON'T WANT TO GO  
TOO MUCH INTO THAT.



BUT THIS IS AN AREA THAT YOU  
GUYS CAN REALLY WORK ON

DETERMINING THESE THINGS BEFORE  
THEY BECOME A HUGE PROBLEM,

BEFORE THEY HAVE TO COME TO US

AND BEFORE THEY HAVE TO GO  
TO LAW ENFORCEMENT.

I'M ASSUMING THAT  
YOU ALL HAVE DATA UNITS

AND GOOD DATA PEOPLE  
THAT CAN DO SOME ANALYSIS.

WE HAVE SET UP WHAT WE CALL  
OUR INNOVATION SCHEMES,

WHERE WE TAKE A NURSE,  
A PHARMACIST,

A DATA ANALYST, AN INVESTIGATOR,  
AND INVESTIGATIVE ANALYST,

AND BASICALLY WE ASK THEM  
TO BRAINSTORM.

WHAT AREAS DO YOU THINK MIGHT BE  
POTENTIAL FRAUD OCCURRING

AND THEN HOW CAN WE DRILL DOWN  
THROUGH THE DATA

TO TRY TO FIGURE OUT IF YOUR  
THEORY HAS ANY VALIDITY TO IT?

THEY'VE COME UP WITH SOME GREAT,  
GREAT SUGGESTIONS AND CONCEPTS,

AND THEN WE DO JUST THAT.

WE RUN THE DATA TO SEE  
WHAT IT SHOWS.

NOW, IF IT SHOWS THAT  
THERE IS POTENTIALLY A PROBLEM,

THAT DOESN'T NECESSARILY MEAN



THERE IS

BECAUSE THAT'S ONLY LOOKING  
AT THE NUMBERS.

THAT'S WHEN IT BECOMES WE HAVE  
TO TAKE IT TO THE NEXT STEP

AND START TO GO OUT  
AND TAKE A LOOK.

ONE OF MY FAVORITES, AND AGAIN,  
JEAN ALLUDED TO IT,

HOW FAR IS  
THE BENEFICIARY TRAVELING

TO GET TO THE PHARMACY?

50 MILES? I DON'T KNOW  
ABOUT WHERE YOU LIVE.

WHERE I LIVE, THERE'S A PHARMACY  
ON ALMOST EVERY CORNER ANYMORE.

THEM AND BANKS. I'M NOT SURE  
WHAT THE CONNECTION IS,

BUT THERE'S A BANK--

THE SHOPPING CENTER 2--4 BLOCKS  
FROM MY HOUSE

HAS 4 BANKS  
WITHIN THAT SHOPPING CENTER

AND THE ONE ACROSS THE STREET.

>> COLLUSION  
>> IT'S COLLUSION.

I'M NOT SURE WHAT IT IS,

BUT THEY'RE SPRINGING UP  
ALL OVER THE PLACE.

SO WHAT BENEFICIARY HAS TO  
GO MORE THAN 50 MILES

FROM HIS HOUSE TO THE PHARMACY



TO FILL HIS PRESCRIPTION?

IT JUST DOESN'T MAKE SENSE.

NOW, IT CAN MAKE SENSE.

IT COULD BE SOMEBODY  
WHO'S ON VACATION

AND NEEDS TO GET  
A PRESCRIPTION FILLED.

IT COULD BE, AS JEAN SAID,  
A SNOWBIRD

WHO'S MILES WAY.

BUT WHEN YOU START TO LOOK  
BEYOND THAT DATA

AND YOU START TO SEE THAT,

YOU KNOW,  
THAT PARTICULAR PHARMACY

OR THAT PARTICULAR DOCTOR HAS  
OVER 50% OF HIS BENEFICIARIES

COMING TO HIM  
FROM MORE THAN 50 MILES AWAY.

SOMETHING'S NOT RIGHT THERE.

THAT'S JUST NOT  
GONNA MAKE SENSE.

YEAH, YOU'LL SEE THE INDIVIDUAL,

THE ONE THAT IS ON VACATION,  
NEEDS A PRESCRIPTION

OR HAS A MEDICAL EMERGENCY  
AND HAS TO VISIT A DOCTOR

AND GET A PRESCRIPTION WRITTEN  
AND FILL IT AT A PHARMACY

THAT'S NOT AROUND THE CORNER  
FROM THEIR HOUSE,



BUT THAT'S GONNA BE  
THE EXCEPTION

AS OPPOSED TO THE RULE.

SO WE'VE DONE THAT,  
AND WE'VE GONE OUT

TO DO DRIVE-BYS  
ON THESE PHARMACIES

THAT ARE SPRINGING UP  
ON THIS STUDY.

AND THE FIRST COUPLE  
WE LOOKED AT DIDN'T EVEN EXIST.

THAT'S SOMETHING THAT YOU MIGHT  
WANT TO TAKE BACK.

AND JUST 1 EXAMPLE OF THE  
CONCEPT OF WHAT YOU FOLKS CAN DO

WITH YOUR DATA PEOPLE

BECAUSE THAT'S WHERE  
THE INFORMATION IS,

THAT'S WHERE  
YOU CAN LOOK FOR TRENDS.

SO YOU CAN LOOK AND SEE.

THERE'S A PHARMACY THAT'S BEEN  
BILLING AT A STANDARD LEVEL

FOR 2, 3, 4 YEARS,

AND THEN ALL OF A SUDDEN  
THERE'S A HUGE SPIKE.

THAT'S SOMETHING YOU MIGHT  
WANT TO TAKE A LOOK AT.

WE'VE RUN INTO CASES--

I'M PROBABLY GETTING AHEAD OF  
MYSELF A LITTLE BIT--



RUN INTO CASES WHERE A--

WE'LL CALL 'EM A MOM AND POP  
PHARMACY--

IN THE FLORIDA AREA--  
NO SURPRISE--

SELLS OUT TO SOME FOLKS WHO ARE  
MAYBE NOT QUITE SO LEGITIMATE

AND THEY GO FROM BILLING,  
YOU KNOW,

AVERAGE \$10,000 TO \$15,000  
IN PRESCRIPTIONS IN A WEEK

TO 150,000.

IN THE SPACE OF 2 MONTHS, OVER--  
JUST UNDER \$1 MILLION.

AND AGAIN, WE'LL GET TO THAT  
A LITTLE LATER,

BUT THOSE ARE THE KIND OF THINGS  
THAT YOU CAN DO

WITH DATA  
AND PROACTIVE ANALYSIS.

AGAIN, SOME OF THE DATA  
INITIATIVES WE LOOK AT,

PHARMACIES--ARE THERE SPIKES  
IN ANY OF THE PHARMACIES?

ARE THEY TOO FAR AWAY  
FROM THE BENEFICIARY?

WHAT ABOUT THE BENEFICIARIES?

THAT BENEFICIARY WAS SEEING  
60 DIFFERENT DOCTORS

AND VISITING  
32 DIFFERENT PHARMACIES.

MIGHT BE A PROBLEM.



IT MIGHT BE A PROBLEM.

THEY MIGHT BE VERY SICK,  
BUT IT MIGHT BE A PROBLEM,

SOMETHING YOU MIGHT WANT  
TO TAKE A LOOK AT.

OVER-PRESCRIBING PHYSICIANS.

A STUDY WE DID JUST RECENTLY  
INDICATED--

AND THIS IS SO NEW I CAN'T EVEN  
GET INTO THE DETAILS OF IT

EXCEPT THAT WHAT WE SAW,

AND I THINK WE NEED TO GO BACK  
AND VERIFY THE NUMBER

BECAUSE IT WAS SO OFF THE CHARTS  
THAT I WONDER ABOUT IT,

1 DOCTOR, 1 PATIENT, 1 DRUG--  
\$5 MILLION.

NOW, THAT'S OVER, WHAT, MAYBE  
A YEAR PERIOD, BUT STILL.

IT'S SOMETHING YOU MIGHT WANT  
TO TAKE A LOOK AT.

IF IT'S THERE,  
MAYBE IT MAKES SENSE.

IT SURE DOESN'T SOUND LIKE  
IT MAKES SENSE TO ME.

PILL MILLS.

YOU KNOW HOW TO IDENTIFY  
A PILL MILL?

YOU DRIVE DOWN TILL YOU SEE  
THE DOCTOR'S OFFICE,

AND WHEN THERE'S A LINE  
OUT THE DOOR,



AROUND THE CORNER,  
AND BACK DOWN THE OTHER STREET,

THAT WHAT CARL FLORES  
LIKES TO CALL--

THAT'S WHAT WE CALL A CLUE.

THERE'S NO REASON FOR THAT.  
THERE REALLY ISN'T.

NOW, AGAIN, YOU NEED  
TO TAKE THE NEXT STEP

AND LOOK FURTHER,

OR ACTUALLY I GUESS WE NEED  
TO TAKE THAT NEXT STEP

AND LOOK FARTHER AND THEN REFER  
THAT TO LAW ENFORCEMENT.

BUT THAT JUST DOESN'T RING TRUE  
TO ANYBODY.

THE MEDICAL EXAMINER PROJECT,  
I THOUGHT,

WAS ANOTHER  
VERY INTERESTING ONE.

AND I'M, AGAIN,  
JUMPING A LITTLE BIT AHEAD.

SECOND-LEADING CAUSE OF DEATH  
IS OVERDOSES.

AND THERE'S MORE OVERDOSE DEATHS  
FROM PRESCRIPTION MEDICATIONS

THAN THERE IS NOW  
FROM HEROIN, COCAINE,

AND THE OTHER DRUGS  
THAT YOU HEAR ABOUT.

SO WE TRY TO GET LEADS FROM  
THE MEDICAL EXAMINER'S OFFICE,

OVERDOES DEATHS.



IS THERE ANY LINK BETWEEN  
THOSE 10 OVERDOSE DEATHS

IN THE MIAMI AREA  
AND ANY PARTICULAR PHYSICIAN?

THERE'S SOME THINGS THAT  
YOU CAN DO WITH DATA.

CHANGE SCORE ANALYSIS  
HELPS TO IDENTIFY

THE POP-UP PHARMACIES,  
THE FALSE-FRONT PROVIDERS.

OR HIGH PRESCRIBERS.

OR ORGANIZED DIVERSION RINGS.

AGAIN, LOOK AT THE DATA,  
LOOK FOR CHANGES,

LOOK FOR ABERRATIONS,  
AND THEN LOOK BEHIND IT,

BECAUSE THE DATA ITSELF DOESN'T  
TELL YOU THAT THIS IS FRAUD.

IT CAN'T. YOU NEED TO TAKE  
THE NEXT STEP.

BUT IT SURE IS A GOOD INDICATOR.

THESE ARE SOME OF THE  
INVESTIGATIONS THAT WE'VE DONE.

PHARMACIES OBVIOUSLY.  
DRUG DIVERSION RINGS.

THOSE ARE THE PEOPLE

WHO ARE GETTING THE  
PRESCRIPTIONS FILLED.

AGAIN, IN 1 CASE,

I MENTIONED 1 BENEFICIARY  
WHO HAD SEEN 60 DOCTORS.



THERE'S ANOTHER CASE,  
I THINK IT WAS IN TENNESSEE,

WHERE HE HAD SEEN  
OVER 200 DOCTORS.

AND HE'S GETTING PRESCRIPTIONS  
AND HE'S GETTING THEM FILLED

AND THEN HE'S TAKING THESE DRUGS

AND SELLING THEM  
OUT ON THE STREET,

AND HE'S MAKING  
GOOD MONEY DOING IT.

WELL, HE WAS. HE GOT CAUGHT.

BUT PEOPLE DIED  
BECAUSE OF THE OVERDOSES

BECAUSE THIS GUY WAS DOING THIS.

WE TAKE THIS VERY SERIOUSLY

BECAUSE IT NOT ONLY AFFECTS  
PATIENTS' HEALTH,

IT KILLS PEOPLE.

SECOND LEADING CAUSE OF DEATH.

ILLCIT INTERNET PHARMACIES,  
TELEMARKETING FRAUD.

TELEMARKETING FRAUD...  
I'M SURE YOU GUYS PROBABLY KNOW

THAT WAY BACK WHEN  
THE PRESCRIPTION DRUG PLAN

FIRST STARTED WITH MEDICARE,  
THE 2.99 SCAMS CAME UP

WHERE BAD GUYS WOULD CALL  
AN ELDERLY PERSON AND SAY,

"FOR \$299, I CAN ENROLL YOU,



"AND THAT WILL BE THE ONLY COST  
YOU'LL HAVE

"TO JOIN THE MEDICARE  
PART "D" PROGRAM.

"JUST GIVE ME  
YOUR BANK INFORMATION

"AND IT'LL ALL BE GOOD.

I CAN JUST DEBIT THE MONEY  
FROM THERE."

WELL, A LOT OF PEOPLE  
FELL FOR THAT.

I THINK NOW THE TELEMARKETING  
SCHEME IS UP TO 3.99

BECAUSE OF INFLATION,  
PRICES GO UP,

AND ALSO WITH THE NEW  
HEALTH CARE REFORM BILL,

THERE WAS A BRIEF FLURRY OF  
ACTIVITY IN THAT REGARD,

NOT JUST RELATED TO PART "D,"

BUT YOU KNOW, "FOR \$300,  
WE CAN SIGN YOU UP

"FOR THIS NEW HEALTH CARE PLAN,

AND THAT WILL BE YOUR  
ENTIRE COST OUT OF POCKET."

WE THOUGHT BECAUSE  
WE HAD THIS FLURRY

THAT THAT WAS  
REALLY GONNA TAKE OFF

AND BECOME A HUGE PROBLEM  
FOR US,

BUT IT SEEMS TO HAVE  
TAPERED BACK OFF AGAIN



AT LEAST WITH THE COMPLAINTS  
THAT WE'RE SEEING.

I CAN'T SPEAK FOR THE ZPICS  
AND THE OTHER CONTRACTORS

TO SEE IF THEY ARE SEEING  
MORE OF THOSE,

BUT WE HAD A BRIEF FLURRY AND  
THEN IT SEEMS TO HAVE DIED AWAY,

BUT WE'RE STILL LOOKING FOR IT.

IDENTITY THEFT.  
JEAN DID SUCH A GOOD JOB

GOING INTO THAT I'M JUST GONNA  
SORT OF GLOSS OVER THAT ONE,

BUT SHE IS RIGHT ON WITH ALL  
THAT SHE SAYS ABSOLUTELY.

IT'S A HUGE PROBLEM

AND NOT JUST BECAUSE OF THE  
BILLINGS TO THE GOVERNMENT,

BUT BECAUSE OF THE POTENTIAL  
HEALTH IMPLICATIONS

FOR THE BENEFICIARIES  
WHOSE NUMBERS ARE COMPROMISED

SOMEWHERE DOWN THE ROAD

WHEN SOMEONE STARTS TO LOOK

AT THEIR RECORD

AND THINKS THAT  
THEY HAVE DIABETES

BECAUSE THEY'VE BEEN GETTING  
A DIABETES DRUG

WHEN THEY DON'T IN FACT  
HAVE DIABETES



OR SIMILAR SITUATIONS.

AND THE INFUSION THERAPY FRAUD  
I WILL TALK ABOUT A LITTLE BIT

IN AN UPCOMING SLIDE

BECAUSE THAT HAS BEEN  
A HUGE PROBLEM, OF COURSE, TOO,

DOWN IN FLORIDA.

>> PHARMACY INVESTIGATIONS.

THESE ARE JUST TWO EXAMPLES  
OF WHAT WE'VE SEEN.

AGAIN, IF YOU'LL NOTICE UNDER  
PHARMACY "A," FRAUDULENTLY

OBTAINED BENEFICIARY  
INFORMATION--BILLING

FOR EXPENSIVE MEDICATIONS THAT  
ARE NEVER ACTUALLY PROVIDED.

REPRESENTING THAT A PHYSICIAN  
HAD ACTUALLY PRESCRIBED

THE MEDICATIONS WHEN IN FACT  
THEY HADN'T, OR FORGING THE

PRESCRIPTIONS OR JUST CALLING  
THEM IN AND JUST--THEY GET

VERY, VERY CREATIVE.

YEARS BACK WHEN I WAS WITH  
OIG, THERE WAS A MAJOR

PHARMACY FRAUD DIVERSION RING  
IN THE BALTIMORE AREA WHO

ACTUALLY WENT TO STAPLES  
AND CREATED THEIR OWN

PRESCRIPTION PADS.

ON THE PHONE NUMBER FOR THE  
DOCTOR SO IF THE PHARMACY



WANTED TO CALL AND CHECK,  
THEY'D PUT THEIR OWN

PHONE NUMBER.

VERY ELABORATE, VERY ELABORATE  
SCHEMES, AND VERY CREATIVE

PEOPLE WORKING THEM.

AGAIN, PHARMACY "B" IS TO A  
LARGE EXTENT THE SAME TYPE

OF SCHEME.

UM...

BUT THE KEY WITH THAT SECOND  
ONE IS SOMETHING I'LL GET TO

IN A COUPLE OF MINUTES.

THE PART "D" WORKING  
GROUP THAT WE HAVE.

INFORMATION THAT WAS SHARED  
DURING THE PART "D" WORKING

GROUP, WHERE WE GET PEOPLE  
FROM THE PART "D" PLANS--WE

GET LAW ENFORCEMENT TOGETHER,  
AND WE GET OUR FOLKS FROM THE

MEDIC TOGETHER, AND WE TALK  
ABOUT PROVIDERS THAT WE THINK

MIGHT BE A PROBLEM.

ALL OF A SUDDEN AT THIS  
MEETING, THE SAME NAME KEPT

COMING UP--THE SAME NAMES KEPT  
COMING UP, SO WE DID A LITTLE

DIGGING AND WE WERE ABLE TO  
DEVELOP ENOUGH INFORMATION TO

REFER IT TO OIG, AND WITHIN



30 DAYS, THEY HAD INDICTED

THE BAD GUYS.

AND I DON'T KNOW IF ANY OF  
YOU HAVE EXPERIENCE

IN LAW ENFORCEMENT.

30 DAYS FROM LEARNING ABOUT  
A COMPLAINT TO AN INDICTMENT

IS PHENOMENAL.

IT JUST NEVER HAPPENS.

I MEAN, IT'S LITERALLY  
UNHEARD-OF.

DRUG DIVERSION.

I THINK I'VE ALREADY SPOKEN  
ABOUT THEM A LITTLE BIT.

AND THIS CLOCK HERE IN FRONT  
OF ME IS VERY INTERESTING

BECAUSE TIME'S GOING A LOT  
FASTER THAN I THOUGHT IT WAS

GOING TO, AND I DON'T WANT TO  
RUN OVER BECAUSE I KNOW WE'RE

ALREADY RUNNING A  
LITTLE BIT LATE.

BUT THESE ARE JUST SOME OF  
THE ONES WE'VE DONE.

AGAIN, IDENTITY THEFT.

IT'S THERE, IT'S ALL THE TIME,  
AND IT'S GETTING WORSE,

AS JEAN SAID.

AND IT SOMETIMES INVOLVED  
THE ORGANIZED GROUPS.

IN ANOTHER INSTANCE WE'VE



SEEN THE ADMINISTRATOR FROM

AN ASSISTED LIVING FACILITY  
STEALING THE DRUGS FROM

THE PEOPLE IN HER CARE TO  
FEED HER OWN HABIT.

DESPICABLE BEHAVIOR.

FORGERY OF PHYSICIANS'  
SIGNATURES--FAIRLY COMMON.

AND WE LIKE TO, AS BEST WE CAN  
AND AS OFTEN AS WE CAN, TO GET

TOGETHER AND WORK WITH THE  
PLAN SPONSORS TO TRY TO

ADDRESS THESE DRUG  
DIVERSION SCHEMES.

TYPICALLY, THOUGH, A DRUG  
DIVERSION SCHEME, UNLESS IT'S

A WIDE-SCALE SCHEME--SAY

THAT 5 TIMES REAL FAST.

WIDE-SCALE SCHEME.

DOESN'T RISE TO THE LEVEL  
WHERE WE CAN GET FEDERAL

PROSECUTORS INTERESTED IN IT.

THE DOLLARS JUST  
AREN'T THERE ENOUGH.

THEY HAVE LIMITED  
RESOURCES, AND IF YOU TAKE

FLORIDA, FOR EXAMPLE, THEY'RE  
RAMPANT WITH MILLION-DOLLAR-

PLUS FRAUD CASES.

THEY'RE PROBABLY NOT GONNA BE  
ABLE TO TAKE A \$60,000 FRAUD



SCHEME ON A LOCAL  
DRUG DIVERSION SCHEME.

SO THAT'S WHEN WE CAN TRY  
TO GET LOCAL LAW ENFORCEMENT

INVOLVED AND TRY TO GET THE  
PROSECUTIONS DONE THAT WAY

BECAUSE WE DO SEE IT AS VERY  
IMPORTANT, ALTHOUGH THERE HAVE

BEEN CHARGES FILED IN FEDERAL  
COURT FOR SOME OF THESE,

BUT GENERALLY IN THE STATES  
THAT YOU DON'T THINK OF AS

THE MAJOR FRAUD HUBS--NORTH  
CAROLINA, FOR EXAMPLE.

OVER-PRESCRIBING PROVIDERS.

AGAIN, YOU FIND A DRUG-SEEKING  
BENEFICIARY, SOMEONE WHO'S

VISITED 60 DOCTORS AND 30  
PHARMACIES TO GET HIS DRUGS.

THAT'S PROBABLY NOT THE  
RESULT OF AN

OVERPRESCRIBING PHYSICIAN.

BUT IF YOU FIND ONE  
BENEFICIARY WHO'S GETTING

A TON OF DRUGS FROM ONE  
DOCTOR, MAYBE THAT IS.

AND AGAIN, THIS IS WHAT  
YOUR DATA TAKES YOU TO.

AND AGAIN THE GREATEST AREA OF  
BENEFICIARY HARM, AND I KEEP

COMING BACK TO THAT--SECOND  
LEADING CAUSE OF DEATH.

WE'VE INDICTED A TENNESSEE



DOCTOR WHO WAS DOING JUST

THAT, AND I'M TRYING  
TO FIND MY NOTES.

HE...

HE WAS ONE OF THOSE WHERE  
YOU WOULD--I'M SORRY.

JUMPING BACK TO HOW YOU  
IDENTIFY A PILL MILL.

TAKE A LOOK IN A PARKING LOT,  
TOO, AND LOOK AT THE LICENSE

PLATES OF THE CARS.

IF YOU'RE IN FLORIDA AT THE  
PHARMACY OR AT THE PHYSICIAN

AND THE LICENSE PLATES ARE  
FROM TENNESSEE AND KENTUCKY

AND WEST VIRGINIA AND  
VIRGINIA, THAT'S A CLUE, TOO,

BECAUSE THEY WILL TRAVEL  
THAT FAR WHEN THEY KNOW THAT

THERE'S A PHYSICIAN WHO'S  
WILLING TO WRITE THEM A SCRIPT

FOR A \$50 CASH PAYMENT AND OUT  
YOU GO WITHOUT EVER HAVING ANY

MEDICAL TREATMENT AT ALL.

AND AGAIN, THE FLORIDA MEDICAL  
EXAMINER DATA--WE'RE TRYING TO

EXPAND THAT TO OTHER  
STATES AS WELL.

IT'S NOT ALWAYS EASY, THOUGH,  
BECAUSE SOME STATES WILL

RELEASE THAT INFORMATION TO  
YOU; OTHER STATES WILL NOT.



AGAIN, SECOND LEADING CAUSE  
OF ACCIDENTAL DEATH.

I'M DOWN TO 8 MINUTES AND 23  
SECONDS, SO I'M GONNA HAVE TO

START PICKING THIS UP  
A LITTLE BIT.

A LOT OF THESE THINGS  
I ALREADY TALKED ABOUT,

BUT BROWARD COUNTY, FLORIDA,  
HAS BECOME THE HUB FOR THIS

STUFF, AND YOU CAN SEE LICENSE  
PLATES FROM KENTUCKY, OHIO,

TENNESSEE, WEST VIRGINIA.

AND AGAIN, FLORIDA APPARENTLY  
LEADS THE NATION IN OXYCODONE

SALES, ACCORDING  
TO DEA STATISTICS.

TELEMARKETING AND  
WEB FRAUD SITES.

I'VE ALREADY TALKED  
ABOUT THE TELEMARKETING.

MOST OF THOSE END UP--WE WORK  
WITH THE FTC A LITTLE

BIT ON THOSE.

I DO KNOW THAT WE AT ONE POINT  
IN TIME DID WORK WITH THE

ROYAL CANADIAN MOUNTED POLICE,  
AND THAT ALWAYS BRINGS TO MIND

DUDLEY DO-RIGHT, BUT  
THAT'S WHERE A LOT

OF THE TELEMARKETING SCAMS  
WERE ORIGINATING FROM,

WAS CANADA.



MEDICARE ADVANTAGE PLANS--YOU  
PROBABLY KNOW THESE STATISTICS

PRETTY WELL, BUT I THOUGHT I'D  
PUT THOSE OUT THERE FOR YOU.

11 MILLION BENEFICIARIES,  
ROUGHLY 24% OF THE MEDICARE

POPULATION, AND THAT'S UP  
SIGNIFICANTLY SINCE 2003.

THE PROBLEM FOR US IN THIS  
AREA FRANKLY IS THE DATA.

WE DON'T HAVE ACCESS TO THE  
DATA TO TRY TO WORK THOSE

FRAUD CASES UP.

IT MAKES IT A LITTLE BIT  
HARDER FOR US TO DO THAT

PROACTIVE ANALYSIS  
ON THESE CASES.

WE DO WORK WITH THE PLANS TO  
TRY AND GATHER DATA WHEN WE

CAN AND THEN WORK WITH WHAT  
WE'RE ABLE TO, BUT THAT'S JUST

THE WAY THE SYSTEM IS,  
SO WE HAVE TO WORK WITH IT,

BUT IT DOES MAKE IT A LITTLE  
BIT MORE DIFFICULT TO DO THOSE

PROACTIVE ANALYSES.

THE INFUSION FRAUD  
SCHEME--AND AGAIN, IT'S

THE IDENTITY THEFT.

16 PART "C" PLANS WERE  
AFFECTED BY THIS, AND AGAIN,

THIS STARTED THE WORKING



GROUP WE HAVE NOW THAT MEETS

QUARTERLY FOR THE  
PART "C" PLANS.

WE GET THE PART  
"C" PLANS TOGETHER.

WE GET LAW ENFORCEMENT  
TOGETHER.

WE GET THE MEDIC TOGETHER,  
AND WE TALK ABOUT THESE THINGS

AND SEE IF THE SAME SCHEMES  
COME UP, AND THIS IS HOW WE

HELP TO IDENTIFY THAT  
16 OF THESE PLANS WERE

AFFECTED BY IT.

THE DOLLARS ON THIS--IT  
WAS \$15 MILLION BILLED.

IN THIS ONE PARTICULAR CASE,  
\$50 MILLION BILLED.

ONLY 6 MILLION OF THAT WAS  
PAID OUT, BUT YOU CAN SEE

THE SCOPE OF THE PROBLEM.

\$50 MILLION.

AND THESE WERE PEOPLE WHO  
BOUGHT IDENTITIES, SET UP

PHONY ADDRESSES, PHONY  
CLINICS, DIDN'T EXIST, NOBODY

GOT ANY SERVICES WHATSOEVER,  
AND THEY BILLED \$50 MILLION

AND GOT PAID \$6 MILLION.

8 OF THEM HAVE BEEN CAUGHT.

I DON'T THINK THEY'VE BEEN  
SENTENCED YET, AND I DON'T



THINK THEY'VE ALL  
AGREED TO PLEAD GUILTY.

I KNOW ONE OF THE MASTERMINDS  
HAS AGREED TO PLEAD GUILTY

AND HIS SENTENCING SHOULD BE  
COMING UP SOON, SO HE'LL BE

COOPERATING AGAINST THE  
OTHERS, SO WE CAN GET THAT

CASE DONE.

THINK ABOUT THAT.

NO CLINIC.

NO PATIENTS OTHER THAN  
THE LIST THAT THEY BOUGHT.

\$50 MILLION BILLED,  
\$6 MILLION PAID.

THERE'S BIG MONEY OUT THERE  
IF THEY KNOW HOW TO DO IT,

AND THEY DO KNOW HOW TO DO IT.

THAT SCHEME HAS EVOLVED,  
AS YOU CAN SEE, THROUGH

SEVERAL DIFFERENT STATES.

STARTED IN FLORIDA.

THEN THEY MOVED  
NORTH TO GEORGIA.

LITERALLY THE FIRST STOP RIGHT  
ACROSS THE FLORIDA BORDER,

THE NORTHERN FLORIDA BORDER,  
THEY OPENED UP SHOP THERE.

THE SHOPS ARE NOT SHOPS.

THEY'RE NOT EVEN BUSINESSES.



THEY'RE A UPS STORE WITH  
A MAILBOX, AND THE MAILBOX

BECOMES THEIR ADDRESS.

AGAIN, THE SAME SCHEME MOVED  
NORTH INTO GEORGIA, AND THIS

IS HOW IT WORKS.

THEY ENROLL THE BENEFICIARIES.

THEY CALL BACK TO MAKE  
SURE THAT THE BENEFICIARIES

ARE ENROLLED.

THEY START TO SUBMIT THE  
CLAIMS FOR THE SERVICES.

THE CHECKS GO OUT TO THE UPS  
STORE AND PUT IN THE MAILBOX.

A RUNNER COMES AND PICKS THEM  
UP, AND THEY TAKE THEM BACK

AND CASH THEM IN CHECK-CASHING  
STORES, LIQUOR STORES,

WHEREVER, WHICH MAKES ME  
WONDER BECAUSE SOME OF THOSE

CHECKS ARE LARGE, AND I DON'T  
USE CHECK-CASHING STORES THAT

MUCH, BUT I'M NOT SURE HOW  
MUCH MONEY THEY KEEP ON HAND,

AND SOME OF THESE CHECKS  
WERE FOR SIGNIFICANT DOLLARS.

MAKES ME WONDER IF THERE  
WASN'T SOME COLLUSION

IN THERE, AND I HOPE AND TRUST  
THAT LAW ENFORCEMENT IS TAKING

THE STEPS TO SEE IF  
THAT EXISTS AND WE HAVE



CONSPIRATORS THERE AS WELL.

AGAIN, I GOT AHEAD OF MYSELF.

THE MONEY GETS LAUNDERED.

IT ENDS UP OVERSEAS,  
DIFFERENT COUNTRIES.

THERE'S AS MANY AS 30  
DIFFERENT PHONY PROVIDERS OUT

THERE SUBMITTING CLAIMS,  
STILL WORKING ON THEM,

AND AGAIN THE LAST  
LINE, OVER 1,000

FALSE STOLEN I.D.s.

AGAIN THE PART  
"C" WORKING GROUP,

THE NEXT MEETING IS JUNE 30.

I REALLY ENCOURAGE ANY OF YOU  
THAT HAVE PART "C" PLANS TO

TRY TO TAKE PART IN THEM.

IT'S A GREAT EXPERIENCE.

YOU GET TO SHARE INFORMATION,  
LEARN THINGS.

MAYBE THIS ONE PROVIDER THAT  
YOU THOUGHT MIGHT BE A LITTLE

BIT QUESTIONABLE, THE OTHER  
PLANS IN ATTENDANCE HAVE

ALREADY WORKED UP CASES ON  
THEM AND KNOW A LOT MORE

ABOUT IT AND CAN HELP POINT  
YOU IN THE RIGHT DIRECTION AS

TO HOW YOU CAN HELP SAVE YOUR  
PLANS AND THE GOVERNMENT



THE MONEY TO AVOID THESE.

AGAIN, A LOT OF THESE  
PEOPLE HAVE BEEN INDICTED

AND CONVICTED.

AGAIN, SIGNIFICANT THEFT OF  
HICNs AND SIGNIFICANT THEFT

OF PROVIDER I.D.s.

WE PROVIDE SUPPORT TO LAW  
ENFORCEMENT IN PART BY GIVING

THEM THE REFERRALS WHEN WE  
DETERMINE THAT THERE'S ENOUGH

INDICATORS OF FRAUD.

WE GIVE THEM THE INVESTIGATIVE  
SUPPORT THAT THEY NEED.

WE DO THE LOSS OF THE  
GOVERNMENT CALCULATIONS

FOR THEM, WHICH IS IMPORTANT  
FOR PROSECUTORS.

THEY NEED TO KNOW, WHEN THEY  
WANT TO PUT A CASE IN FRONT

OF A JURY, HOW MUCH MONEY DID  
THIS COST THE GOVERNMENT?

HOW MUCH MONEY WAS  
LOST BECAUSE OF THIS?

AND JUST TO TOUCH REAL  
QUICKLY, A SIGNIFICANT

DEVELOPMENT IN THE LAW-  
ENFORCEMENT AREA OVER THE LAST

YEAR OR TWO, STARTING DOWN IN  
FLORIDA WHERE, AS WE ALL KNOW,

FRAUD IS RAMPANT, PROSECUTORS  
USED TO WANT TO ONLY PROSECUTE



THE AMOUNT OF THE LOSS  
TO THE GOVERNMENT.

SO IF \$50 MILLION WAS BILLED  
BUT ONLY \$6 MILLION WAS PAID,

THEY WOULD ONLY CHARGE  
\$6 MILLION WORTH OF FRAUD.

WELL, WE'VE BEEN TRYING TO  
CONVINCE THEM FOR YEARS THAT

THAT'S REALLY NOT THE CASE.

THEY TRIED TO  
STEAL \$50 MILLION.

THEY ONLY GOT 6 MILLION,  
BUT THEY TRIED TO STEAL

\$50 MILLION, SO A LOT OF  
PROSECUTORS NOW ARE TAKING

THAT INTENDED LOSS, WHAT THEY  
INTENDED TO STEAL, AND USING

THAT AS THE CHARGEABLE AMOUNT,  
AND THAT'S VERY IMPORTANT

BECAUSE IN THE FEDERAL SYSTEM,  
SENTENCING GUIDELINES ARE

PARTLY DRIVEN BY HOW MUCH  
THE FRAUD SCHEME ENTAILED.

SO \$6 MILLION MIGHT  
GET YOU THIS LEVEL.

\$50 MILLION GETS YOU  
ADDITIONAL TIME IN JAIL IF

THEY'RE SUCCESSFUL  
IN CONVICTING YOU.

WE ALSO DO COORDINATION TO  
PUT THE PLANS IN TOUCH

WITH LAW ENFORCEMENT.



IF LAW ENFORCEMENT NEEDS TO  
HAVE SOMEONE FROM YOUR PLAN

COME AND TESTIFY ABOUT CERTAIN  
THINGS, WE ACT AS A GO-BETWEEN

TO TRY TO GET THAT INFORMATION  
TO THEM, AND WE PUT

ON TRAINING PRESENTATIONS FOR  
THEM TO HELP EDUCATE THEM

ABOUT THE PART "C"  
AND PART "D" SYSTEMS.

DATA SUPPORT--WE PROVIDE  
WHATEVER DATA WE CAN TO

LAW ENFORCEMENT.

WE START OUT WITH A PART "C"  
OR PART "D," BUT THERE ARE

OCCASIONS WHERE WE NEED TO  
HELP PROVE THE CASE--WE NEED

TO HAVE ACCESS TO THE PART "B"  
DATA TO HELP PROVE THAT THAT

BENEFICIARY WHO GOT THE  
OXYCODONE DIDN'T HAVE ANY

HISTORY OF PAIN ISSUES,  
SO WE CAN FIND OUT BY LOOKING

AT HIS PART "D" BILLINGS AND  
PART "D" HISTORY AND MEDICAL

RECORDS AND DETERMINE THAT  
HE DOESN'T HAVE ANY PHYSICAL

DIAGNOSIS THAT WOULD JUSTIFY  
THAT AMOUNT OF BILLS.

AND AGAIN, YOU SEE THE  
COMPROMISED HICNs LIST

AND THE ILLEGITIMATE  
PROVIDERS LIST.



TEAM APPROACH. I MENTIONED  
THESE--THE PART "D" WORKING

GROUP, THE PART  
"C" WORKING GROUP.

WE JUST HAD THE PART "D"  
WORKING GROUP IN HARTFORD,

CONNECTICUT, ON  
THE 20th OF MAY.

VERY WELL ATTENDED.

OIG LAW ENFORCEMENT, ASSISTANT  
U.S. ATTORNEYS, A LOT

OF THE PART "D" PLANS--I  
FORGET HOW MANY--WERE THERE.

REALLY GREAT OPPORTUNITY  
TO SHARE INFORMATION BACK

AND FORTH AND SEE IF YOU DON'T  
HAVE COMMON PROBLEMS THAT YOU

CAN HELP ADDRESS  
THROUGH THESE THINGS.

THE PART "C" WORKING GROUP  
ALSO MEETS QUARTERLY,

AND THE NEXT ONE FOR THAT  
IS--I'M SORRY, PART "C"

WORKING GROUP.

NEXT ONE IS JUNE 30.

PART "D" WORKING GROUP,  
THE NEXT ONE IS, I THINK,

AUGUST 19.

WOW. I DID THIS GREAT.

I'M DOWN TO 15 SECONDS.

I'M DOWN TO



CONTACT INFORMATION.

YOU CAN COPY THAT  
DOWN IF YOU WANT.

I DON'T SEE ANYBODY  
FRANTICALLY WRITING, SO I'M

GONNA GO TO THE NEXT SLIDE,  
WHICH IS THE MEDIC

CONTACT INFORMATION.

IF YOU NEED TO GET IN TOUCH  
WITH US, FAX OR WRITING,

THAT'S WHERE WE ARE.

I READ ZEROES, AND IT'S  
TIME FOR QUESTIONS.

I'VE NEVER BEEN ABLE TO  
DO THAT BEFORE, EVER.

[APPLAUSE]

ARE THERE ANY QUESTIONS?

>> DO YOU HAVE ALL YOUR  
CONTACT INFORMATION

UPDATED IN HPMS?

BECAUSE USUALLY IN HPMS,  
THERE'S A LIST THAT THE PLANS

ARE RESPONSIBLE FOR UPDATING.

I'M PRETTY  
SURE--CONNIE'S BACK THERE.

I'M PRETTY SURE--I'M PRETTY  
SURE THE INFORMATION GOES TO,

LIKE, THE COMPLIANCE AREAS  
OF THE PLAN, TO THE CONTACT

PEOPLE THAT ARE  
LISTED WITHIN HPMS.



>> CAN I ASK IF THAT ALERT  
GOES TO THE REGIONAL OFFICE

STAFF AT ALL?

WE HAVEN'T SEEN IT.

SO IF THE REGIONAL OFFICE  
PEOPLE GET IT, I'M SURE TO GET

IT TO THE PLANS.

>> JEAN, THAT'S  
RIGHT, ISN'T IT? YEAH.

>> BUT SHE SAID IT'S THE  
OTHER SIDE--FEE-FOR-SERVICE

PEOPLE GETS IT.

MANAGED CURE  
PEOPLE DON'T GET IT.

>> RIGHT, BECAUSE  
IT'S NOT [INDISTINCT]

>> OK, SO...

>> [INDISTINCT]

>> OK,  
SO THE ALERT IS DIFFERENTIATED

BETWEEN FEE FOR SERVICE AND  
MANAGED CARE, SO THE "C"

AND "D" PEOPLE SHOULD GET THE  
MANAGED CARE ALERTS SO WE CAN

SHOOT IT OUT TO THE PLANS.

>> HI. THIS IS JEAN.

FROM THE FEE-FOR-SERVICE SIDE,  
IF WE HAVE A MEDICARE

BENEFICIARY WHO'S NOT IN A  
MANAGED CARE PLAN AND WE HAVE

A LISTING OF COMPROMISED



NUMBERS ON THE FRAUD ALERT,

THAT BENEFICIARY'S NUMBER  
MAY NOT COME TO YOU,

BECAUSE THEY'RE NOT  
NECESSARILY IN YOUR PLAN.

SO MY UNDERSTANDING IS THAT  
WE WOULD SEND THOSE THINGS TO  
  
THE MEDIC.

THE MEDIC WOULD BE THE ENTITY  
THAT WOULD BE ABLE TO DEAL

WITH--IF THAT PATIENT THEN  
ENROLLS IN A PLAN, YOU CAN GO

CHECK YOUR ENROLLMENT AGAINST  
THEIR STUFF, BUT WE CAN'T

SHARE WITH YOU STRAIGHT FEE-  
FOR-SERVICE MEDICARE PATIENTS

BECAUSE THERE'S NO  
RELATIONSHIP FROM THAT PATIENT

TO YOU FOR YOU TO  
HAVE THAT INFORMATION.

WE HAVE A HIPA ISSUE.

SO WE CAN SHARE  
WITH THE MEDIC.

YOU CAN PING OFF THE MEDIC  
ANY PATIENT YOU HAVE A CONCERN

ABOUT, OR IF YOU HAVE  
ENROLLMENT, THEY CAN CHECK

YOUR ENROLLMENT LIST AGAINST  
OUR FRAUD ALERTS TO SEE IF

THERE'S A PING AND THEY CAN  
COME BACK TO YOU ON THAT.

>> I'M SORRY. I MAY HAVE  
MISUNDERSTOOD YOUR QUESTION.



YOU WERE TALKING ABOUT A  
FRAUD ALERT THAT NAMES

A COMPROMISED NUMBER?

JUST FRAUD ALERTS IN GENERAL.

>> YES.

THE QUESTION IS,  
IF SOMETHING COMES UP

IN MANAGED CARE THAT YOU  
SHOULD BE AWARE OF, HOW DO WE

GET [INDISTINCT]?

>> OK,  
AND WE DO OUR FRAUD ALERTS--

FOR THE EXACT SAME ISSUE  
WE'LL DO A SANITIZED, WHICH

ELIMINATES THE HICNs AND NPIs,  
BUT IT TELLS YOU THE SCAM,

AND THOSE NUMBERS ARE SHARED  
WITH LAW ENFORCEMENT, ALL

THE PSCs, ZPICs, THE  
REGIONAL OFFICES.

I THOUGHT THE MEDICS WERE  
ON THE DISTRIBUTION LIST,

AND I WILL TAKE THAT ISSUE  
BACK THIS AFTERNOON.

>> NO,  
I KNOW WE GOT ONE JUST LAST

WEEK THAT CAME IN, BUT I  
DON'T REMEMBER ANY COMING

IN BEFORE THAT.

WE DO THE OPPOSITE WHERE WE  
SUBMIT THE HPMS ALERT TO CMS



FOR APPROVAL AND ISSUANCE.

>> AND WE DON'T SEE THE HPMS--  
THE FEE-FOR-SERVICE SIDE

DOESN'T SEE THE  
HPMS ALERT, SO OK.

>> IN THAT CASE, I  
THANK YOU ALL VERY MUCH.

[APPLAUSE]