



## CMS 2010 Tri-Regional Plan Compliance Conference

*Dallas Hilton Lincoln Center, May 19-20, 2010*

**A MOSAIC of More: More insight, More answers, More compliance...**

### Verbatim Transcript

#### Fraud and Abuse-Will It Affect You?

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>> OUR CONCLUDING SPEAKER FOR OUR CONFERENCE, TO ADD THAT LAST PIECE TO OUR MOSAIC, IS EILEEN TURNER. I HAVE KNOWN EILEEN BECAUSE SHE DID WORK IN HEALTH PLAN OPERATIONS. SO SEVERAL OF US HAVE WORKED CLOSELY WITH HER. SINCE THAT TIME, EILEEN HAS BECOME ASSOCIATE REGIONAL ADMINISTRATOR FOR FINANCIAL MANAGEMENT AND FEE FOR SERVICE, AND SHE WORKS IN THE SAN FRANCISCO REGIONAL OFFICE. AS PART OF HER RESPONSIBILITIES IN THAT POSITION, SHE DEALS WITH FRAUD AND ABUSE ISSUES, BUT AT THE CURRENT TIME SHE IS ON A DETAIL AND WORKS IN THE--IT IS THE OFFICE OF PROGRAM INTEGRITY?--OFFICE OF PROGRAM INTEGRITY IN BALTIMORE. SO SHE'S WORKING WITH LEADERSHIP THERE ON THE FRAUD AND ABUSE PROGRAMS. I WOULD CALL YOUR ATTENTION TO HER BIOGRAPHY. SHE'S QUITE AN ACCOMPLISHED WOMAN, AND I THINK YOU WILL ENJOY HEARING FROM HER. EILEEN.

[APPLAUSE]

>> YOU'RE ALL GIVING ME A HAND, AND I WANT TO GIVE YOU A HAND FOR EVEN RETURNING. 1:30 ON THE LAST



DAY OF THE CONFERENCE, WE HAVE A  
FULL HOUSE HERE. SO...

[CLAPPING]

TO YOU ALL. I'M GONNA TALK ABOUT  
SOMETHING THAT'S A LITTLE  
DIFFERENT. I'M NOT IN YOUR  
HANDBOOK. YOU HAVE NO HANDOUTS FOR  
ME. YOU CAN JUST LISTEN, SORT OF,  
TO WHAT I'M TALKING ABOUT. I THINK  
IT SPEAKS TO ALL OF US AS  
AMERICANS WHO PAY MONEY AND PAY  
TAXES AND WILL EVENTUALLY BE ONE  
DAY MEDICARE CONSUMERS. SOME OF US  
ARE CLOSER TO THAT THAN OTHERS,  
BUT, YOU KNOW, WE'RE ALL MAKING  
OUR WAY THERE. ONE OF THE AREAS  
THAT I WORK ON, REALLY, IS FRAUD.  
AND I WORK ON THE FEE FOR SERVICE  
SIDE OF THE HOUSE, BUT THAT'S JUST  
THE SIDE THAT I WORK ON. IT'S NOT  
LIMITED TO THE FEE FOR SERVICE  
ARENA. IT'S NOT LIMITED TO JUST  
BENEFICIARIES. IT'S NOT LIMITED TO  
JUST PROVIDERS. AND I KNOW A  
NUMBER OF YOU HAVE WITHIN YOUR  
PLAN YOUR OWN INDIVIDUAL  
SURVEILLANCE UNITS, WHERE YOU'RE  
ACTUALLY LOOKING FOR AND DETECTING  
FRAUD. AND I CAN SPEAK TO JUST A  
COUPLE OF THINGS, COUPLE OF TYPES  
OF FRAUD, THAT WE--AND I'M CERTAIN  
THAT YOU HAVE--IDENTIFIED AS ON  
THE INCREASE, SO WE SHALL SAY.  
IDENTITY THEFT. YOU KNOW, YOU SEE  
A LOT OF COMMERCIALS, A LOT OF  
INFORMATION OUT ABOUT PROTECT YOUR  
IDENTIFICATION. DON'T LEAVE YOUR  
CREDIT CARD. DON'T LEAVE YOUR  
DRIVERS LICENSE. YOU KNOW, ONLY  
GIVE THE LAST 5 DIGITS OF YOUR  
SOCIAL SECURITY NUMBER--OR HOWEVER  
MANY DIGITS THAT IS--4 DIGITS OF  
YOUR SOCIAL SECURITY NUMBER TO  
ANYONE. AND SO THAT'S HOW MOST OF  
US THINK ABOUT IDENTITY THEFT. IN  
OUR PROGRAM, AND ON THE FEE FOR  
SERVICE SIDE, WHERE IT'S PRESENT A  
CARD AND RECEIVE A SERVICE, A LOT  
OF IDENTITY THEFT OCCURS.  
CERTAINLY, IT'S A SMALL NUMBER OF  
BENEFICIARIES WHO ARE AFFECTED,  
BUT IT'S A VERY REAL ACTIVITY AND

IT HAS ITS MAIN SOURCE, SO TO SPEAK, IN CALIFORNIA AND TEXAS, ALTHOUGH IT IS A NATIONWIDE EPIDEMIC. IDENTIFICATION NUMBERS-- THAT IS, THE BENEFICIARY'S HEALTH INSURANCE NUMBERS--OFTEN COMPROMISED IN A NUMBER OF WAYS. PEOPLE WHO ARE SIMPLY DOWN ON THE LUCK ARE PICKED UP AND CARTED AROUND TO, YOU KNOW, A FREE LUNCH, OVERNIGHT TRIP TO ATLANTIC CITY, WHAT HAVE YOU, FOR THE MERE USE OF THEIR MEDICARE IDENTIFICATION NUMBER. OR, ON THE OTHER SIDE OF THAT, ARE PROVIDERS. AND PROVIDERS ARE ALSO VICTIMS OF IDENTITY THEFT IN THE MEDICARE PROGRAM. AND I LITERALLY WORK WITH DOCTORS EVERY DAY, WHO I'M CALLING AND TALKING TO, WHO ARE SAYING, "WELL, YOU KNOW, I'VE NEVER BEEN TO THAT PLACE. HOW COME, YOU KNOW, THESE PEOPLE ARE CALLING ME?" LITERALLY, THEIR IDENTIFICATION NUMBERS HAVE BEEN STOLEN. THAT IS, THE NUMBERS THAT THEY USE TO BUILD A MEDICARE PROGRAM WITH, THE NUMBERS THAT THEY USE TO DO A NUMBER OF DIFFERENT ACTIVITIES. AND THE THEFT IS OFTEN, YOU KNOW, VERY MINOR. I MEAN, IT'S JUST, YOU KNOW, A FLIP OF SOMETHING IN THE TRASH, OR SOMEONE COMES TO THE OFFICE AND THE PAD IS THERE WITH THE PHYSICIAN'S IDENTIFICATION NUMBER RIGHT THERE. AND IT IS THOSE KIND OF VERY INANE AND INNOCUOUS ACTIVITIES THAT REALLY LEADS TO THEFT OF IDENTIFICATION IN THIS PROGRAM. AND WHILE CERTAINLY THE VAST MAJORITY OF INDIVIDUALS ON MEDICARE USE FEE FOR SERVICE, THESE PEOPLE GO BETWEEN FEE FOR SERVICE AND THE HEALTH PLAN. SO IT IS CERTAINLY SOMETHING FOR YOU TO BE COGNIZANT OF AND AWARE OF, TOO. WHAT WE TRY TO DO ALSO, AND SHARE INFORMATION WITH ALL OF OUR PARTNERS. AND I WILL TELL YOU, ON THE FEE FOR SERVICE SIDE WE HAVE SO MANY PARTNERS IT'S JUST INCREDIBLE. AND

BY THAT I MEAN THE HEALTH PLANS, THE MEDICARE ADMINISTRATIVE CONTRACTORS, THE MEDICS THAT WE WORK WITH, SHARE INFORMATION WITH, LAW ENFORCEMENT, ET CETERA. SO IT IS REALLY AN ALL-OUT ASSAULT, THAT WE'RE TRYING TO PROTECT THE INTEGRITY OF THE PROGRAM. WE'RE CONSTANTLY DOING DATA ANALYSIS OF THE CLAIM INFORMATION THAT WE RECEIVE, OF THE TELEPHONE CALLS THAT WE RECEIVE. WE HAVE SPECIAL ACTIVITIES THAT GO ON IN FLORIDA SPECIFICALLY BECAUSE OF THE AMOUNT AND QUANTITY AND FRAUD THAT EXISTS IN THAT STATE ON A NUMBER OF DIFFERENT LEVELS. WE EVEN HAVE A SPECIAL HOTLINE THAT IS USED FOR JUST THE NOTIFICATIONS THAT BENEFICIARIES RECEIVE IN FLORIDA. IN TERMS OF PROVIDER IDENTIFICATION, WHAT WE ALSO FIND IS QUITE A BIT OF FALSE FRONT PROVIDER OFFICES. AND LITERALLY, IT'S JUST A FRONT SOMETIMES, AND THAT'S ALL THAT'S THERE. AND IT'S ON THE INCREASE. AND WHAT CAN WE DO, OR WHAT SHOULD WE BE DOING, TO REDUCE IT? FRAUD IS LIKE ANYTHING ELSE. YOU TRY TO MITIGATE YOUR RISK AS MUCH AS POSSIBLE. AND THAT'S MUCH OF THE WORK THAT WE'RE DOING IN THE MEDICARE PROGRAM. AND MANY OF THE REFORMS THAT ARE COMING FROM THE HEALTH CARE REFORM LEGISLATION REALLY SPEAK TO CONTROLLING AND GIVING THE AGENCY THE ABILITY TO REALLY WORK THROUGH SOME OF THE VERY KEY ISSUES THAT COME THROUGH THE FRAUDULENT ACTIVITIES THAT WE SEE. ONE OF THE OTHER REASONS WHY THERE IS SUBSTANTIAL FRAUD IN THE PROGRAM IS JUST THE SHEER VOLUME ON THE MEDICARE FEE FOR SERVICE SIDE. AND I HOPE YOU ALL DON'T MIND MY TALKING ABOUT THIS. I KNOW IT'S NOT WHERE YOUR FOCUS IS, BUT JUST SORT OF TO GIVE YOU A CHANGE OF PACE FOR THIS PART OF THE DAY. THERE'S ABOUT 4.4 MILLIONS CLAIMS THAT ARE PROCESSED EVERY DAY. WE

HAVE 1.5 MILLION PROVIDERS. AND WE PAY OUT \$440 BILLION A YEAR. AND OUT OF ALL OF THOSE CLAIMS, PROBABLY ONLY ABOUT 3% OR LESS ARE ACTUALLY LOOKED AT ON THE PREPAYMENT BASIS. SO WHAT CAN WE DO, AS HAVING OUR FIDUCIARY RESPONSIBILITY, AND REALLY TRY TO STAY ONE STEP AHEAD? WE HAVE TO PAY CLAIMS WITHIN 14-30 DAYS, SO WE'RE DOING THAT. WE ACTUALLY DO GET MOST OF THOSE CLAIMS PAID WITHIN THAT AMOUNT OF TIME. AND THAT IS PART OF THE CHALLENGE, IS REMAINING WITHIN THE LAW, DOING WHAT IT IS WE NEED TO DO THROUGH OUR CONTRACTORS AND MAKING SURE THAT CLAIMS GET PAID ON TIME. AND BY THE SAME TOKEN, YOU KNOW, WE CAN TAKE SOME PRETTY HEAVY-HANDED ACTIVITIES, BUT WHAT WE DO SOMETIMES IS WE'LL CATCH THE GOOD GUYS IN WITH THE BAD GUYS. AND SO YOU WALK A VERY, VERY FINE LINE IN WHAT WE'RE ACTUALLY TRYING TO DO TO PREVENT OR CURTAIL FRAUD. SOME OF THE HIGH FRAUD AREAS, WHICH YOU'RE PROBABLY VERY MUCH AWARE OF--AND NOT GEOGRAPHICALLY, BUT MORE IN TERMS OF SERVICES--ARE HOME HEALTH SERVICES. WHAT WE FIND ARE THAT IN A NUMBER OF CASES PEOPLE RECEIVE, LET'S SAY, TWICE DAILY VISITS BY HOME HEALTH PROFESSIONALS FOR THE ADMINISTRATION OF INSULIN, FOR DIABETICS, FOR YEARS. BUT SIMILARLY, FOR A PERSON WHO IS TO BE HOMEBOUND, WE FIND THAT THE PERSON ISN'T THERE WHEN WE GO TO VISIT THEM. THEY'RE OUT SHOPPING. MEDICAL EQUIPMENT. AND I'M SURE ALL OF YOU ARE WELL AWARE OF HOW MUCH FRAUD EXISTS IN THAT PARTICULAR BUSINESS: POWER WHEELCHAIRS, THOSE KINDS OF ITEMS, ORDERED AND REFERRED BY NONEXISTENT DOCTORS. SO THERE ARE A NUMBER OF WAYS THAT WE'RE LOOKING TO IMPROVE OUR ABILITY TO PROTECT THE MEDICARE TRUST FUND IN GENERAL. WE'RE DOING THAT A LOT

THROUGH THE LEGISLATION THAT CAME THROUGH. AND YOU WILL HEAR THIS. IF YOU'RE IN THE MEDICAL COMMUNITY OR IF YOU ARE, YOU KNOW, OUT WITH YOUR NETWORK PROVIDERS, WHAT YOU'LL BEGIN TO HEAR IS, "I CAN'T GET INTO THE MEDICARE PROGRAM." IT'S REALLY NOT THAT THEY CAN'T GET IN, BUT WHAT WE DO KNOW IS PAY-AND-CHASE IS NOT THE WAY TO PROTECT THE TRUST FUND. SO RATHER THAN HAVE CLAIMS SUBMITTED AND TRY TO GET MONEY BACK--BECAUSE WE ALL KNOW HOW DIFFICULT THAT IS, PERIOD--WE'RE DOING SOME PREVENTATIVE MEASURES, AND THE LEGISLATION THAT WAS RECENTLY PASSED REALLY HELPS US OUT IN DOING THAT. WE WILL HAVE MUCH MORE STRINGENT GUIDELINES ON WHO WE WILL PAY FOR A SERVICE, AND WHAT KIND OF DOCUMENTATION THAT WE WILL LOOK FOR. I WILL TELL YOU I'VE BEEN DOING THIS PROGRAM A VERY, VERY LONG TIME, AND I CAN REMEMBER WHEN I WAS LIKE HALF MY AGE NOW. THE CHALLENGE WAS HOW QUICKLY WE COULD GET THAT DOCTOR SET UP ON OUR FILE. LET'S SEE, DID HE HAVE A LICENSE AND COULD HE WALK? OK, GOOD. GOT A NUMBER AND, YOU KNOW, THEY WERE JUST OUT THERE SUBMITTING CLAIMS THE NEXT DAY. WELL, SPRING FORWARD A FEW MORE YEARS AND THINGS ARE QUITE A BIT DIFFERENT NOW. AND WE'RE TAKING MUCH MORE AGGRESSIVE STEPS IN VERIFYING INFORMATION. FOR EXAMPLE, FOR A VERY LONG TIME WE NEVER WENT OUT TO SEE IF ANYBODY WAS REALLY AT THE PLACE THEY SAID THEY WERE AT, NOT WHETHER YOU WERE A DME DEALER, A HOME HEALTH AGENCY, PHARMACY, NOTHING. YOU TOLD US YOU WERE THERE, WE BELIEVED YOU, WE GAVE IT TO YOU, HERE'S YOUR NUMBER. WELL, WE'RE STEPPING BACK FROM THAT ON A NUMBER OF DIFFERENT PROVIDER TYPES. WE ACTUALLY GO. AND WE'RE ACTUALLY MAKING SITE VISITS NOW TO MAKE SURE THAT THE PLACE IS THERE,

AND NOT JUST THE ONE TIME WE GO. WE GO OUT PERIODICALLY. AGAIN, IT'S AN EFFORT TO PROTECT THE TRUST FUND. SO EVEN IF YOU HAVE RECEIVED A NUMBER, WHICH ALLOWS YOU TO BUILD A PROGRAM AND TO BECOME MEMBERS OF THE VARIOUS NETWORKS THAT YOU ALL OPERATE--IF WE GO OUT AGAIN AND YOU'RE NOT THERE, AND THERE'S NO REASON FOR YOU NOT TO BE THERE, WE'LL REVOKE THE NUMBER. AND WE DO REVOKE NUMBERS. CONTRARY TO POPULAR BELIEF, THOSE NUMBERS ACTUALLY GET REVOKED. WE WANT TO MAKE SURE THAT THE ITEMS THAT GET PAID FOR ARE ACTUALLY SERVICES THAT SHOULD BE PAID FOR. I WILL TELL YOU THE OTHER DAY THAT SOMEONE ACTUALLY RETURNED TO ME A \$800 BACK BRACE BECAUSE THEY SAID THEY FOUND IT IN ON THE INTERNET FOR, LIKE, \$52, AND THEY WERE REALLY UPSET THAT WE HAD PAID FOR IT. SO, YOU KNOW, I THINK THE INTERNET HAS GIVEN EVERYBODY AN OPPORTUNITY TO LOOK, COMPARE, TO SEE. AND WE'RE ALL CONSUMERS AS WELL. OTHER ACTIONS THAT WERE TAKEN TO ENSURE THAT INDIVIDUALS ARE BEING SERVED BY REPUTABLE PROVIDERS OF CARE: MANY OF THEM NOW HAVE TO HAVE SURETY BONDS. THAT SURETY BOND HAS TO BE IN EFFECT AT THE TIME THEY APPLY, IT HAS TO BE WORTH "X" DOLLARS, AND IT HAS TO BE FOR A SPECIFIC PERIOD OF TIME. WE PUT THAT INTO EFFECT IN OCTOBER 2009, AND SINCE THEN WE'VE TAKEN BACK SOME NUMBERS BECAUSE THE FOLKS DECIDED THEY DIDN'T WANT TO GET THE SURETY BOND. NOW PART OF THAT COULD BE COST AND BUSINESS, BECAUSE MOST OF THIS IS REALLY A BUSINESS DECISION. YOU KNOW, WHETHER YOU'RE DOING ENOUGH MEDICARE BUSINESS TO WARRANT WHAT WE'RE ALSO DOING, WHICH IS GETTING ACCREDITED, BECAUSE THERE ARE COSTS INVOLVED WITH THIS. OR GETTING A SURETY BOND. AND SOMETIME THE COST-BENEFIT RATIO ISN'T THERE, SO A



NUMBER OF SUPPLIERS DO LEAVE. WE HAVE NOT SEEN A DECREASE, HOWEVER, IN SERVICES THAT CORRESPOND TO, YOU KNOW, THE NUMBER OF PEOPLE WHO ARE NO LONGER IN THE PROGRAM. AND WHAT THAT REALLY SPEAKS TO IS IN GENERAL--NOT EVERY PLACE, BUT IN GENERAL--THE PROGRAM HAS A BALANCE OF PROVIDERS THAT EXIST IN THE CURRENT NETWORK RIGHT NOW. WE'RE ASKING EVERY DOC, EVERY SUPPLIER, TO TELL US WHO THEY ARE EVERY 3 YEARS. IT IS A BIT OF AN AGITATION TO THEM, BECAUSE IT'S KIND OF LIKE YOUR TAXES. YOU HAVE TO GIVE US WHAT WE WANT, WHEN WE WANT IT, AND IN THE FORMAT THAT WE ASK FOR. AND IT'S A REAL TRICKY THING TO DO, BUT ONCE YOU GET THROUGH IT YOU'RE GOOD FOR ANOTHER 3 YEARS. BUT THEY CAN GET A LITTLE FRUSTRATED WITH THE PROCESS, BECAUSE IT IS A PAPER PROCESS. WE'RE ASKING THEM TO SEND LICENSES, INSURANCE. THE CREDENTIALING THAT YOU DO, WE DO IT AS WELL. AND ABSENT THAT, THEY CANNOT GET INTO THE PROGRAM. OTHER NEW CHANGES THAT HAVE COME ABOUT RECENTLY: CLAIM SUBMISSION. IT'S ONLY 12 MONTHS NOW. AGAIN, THAT IS TO PROTECT THE PROGRAM. AND IF YOU'RE A NEW DOCTOR COMING IN, OR IF YOU HAVE HAD YOUR NUMBER DEACTIVATED BECAUSE YOU DIDN'T USE IT, YOU CAN ONLY GO BACK AND BILL FOR 3 MONTHS WORTH OF CLAIMS. AND WHAT THAT ACTUALLY MEANS IS, WE HAVE A FINITE TIME PERIOD THAT WE'RE DEALING WITH, SORT OF ACTUARIALLY, HOW MUCH IS OUTSTANDING IN TERMS OF CLAIMS. SO PRIOR TO THIS YEAR IT WAS 27 MONTHS. YOU COULD SUBMIT A CLAIM FOR, YOU KNOW, 27 MONTHS AGO. IT WOULD GET PAID. THAT'S NOW 12 MONTHS FROM THE DATE OF SERVICE. SO, BIG CHANGES ARE COMING THROUGH LIKE THAT TO, AGAIN, PROTECT OUR TRUST FUND AND ENSURE THE INTEGRITY OF IT AS WELL. WE'RE DOING A LOT MORE PROVIDER EDUCATION, AND WE'RE HOPING THAT



THIS SPILLS OVER TO ALL OF THE ENTITIES, BECAUSE WE KNOW THAT THE PUBLIC-PRIVATE PARTNERSHIPS ARE REALLY VERY, VERY IMPORTANT. EDUCATING PROVIDERS TO WATCH THEIR IDENTITY, KNOW THEIR PATIENTS, KNOW WHO THEY'RE SEEING, DO WHATEVER IT IS THEY NEED TO DO TO MAKE SURE THEY KNOW WHO THEIR SERVICING. BECAUSE AT THE END OF THE DAY, WE ACTUALLY DO DO QUITE A BIT OF CHECKING TO WORK AGAINST ABUSIVE BEHAVIOR, TRYING TO STAY A STEP AHEAD OF JUST ABOUT EVERYBODY WHO'S OUT THERE WHO'S TRYING TO CHALLENGE US. SO WE'RE REALLY INTO PROTECTIVE MODE RIGHT NOW, BASED ON JUST WHAT HAS GONE OVER THE LAST SEVERAL YEARS. PEOPLE ALWAYS WANT TO QUANTIFY FRAUD, AND I'M CERTAIN THAT YOU'LL HEAR SOME BIG DOLLARS THROWN AROUND OUT THERE, AND THAT'S PROBABLY JUST WHAT WE COULD IDENTIFY. BUT CERTAINLY WE ARE TAKING STEPS TO IMPROVE OUT ENFORCEMENT ACTIVITY, THE LABOR, THE EFFORT, THE DATA ANALYSIS, QUITE FRANKLY. BECAUSE A LOT OF WHAT WE SEE REALLY IS NOT APPARENT UNLESS YOU DO SOME ANALYSIS OF THE INFORMATION THAT YOU HAVE. YOU'VE GOT TO KNOW WHAT'S COMING IN, WHAT LOOKS NORMAL, WHAT LOOKS ABNORMAL. YOU KNOW, WHAT ARE THE COMMONALITIES BETWEEN CARE, SERVICE, AGE OF THE PATIENT? ORDERING, WHO'S REFERRING, WHO ARE THE KEY PLAYERS? BECAUSE ONCE YOU ACTUALLY START TO ANALYZE IT ALONG THOSE LINES--NOT JUST ALONG THE DOLLARS, BECAUSE THE DOLLARS JUST TELL YOU SOMEONE IS GETTING PAID, BUT THERE ARE OTHER THINGS THAT ARE GOING ON AS WELL. SO IT'S DOING DATA ANALYSIS AS WELL. AND WE'RE TRYING TO DO THAT AND SHARE THAT INFORMATION WITH ALL OF OUR PARTNERS AS WE CAN. THE PROVIDER ENROLLMENT PROVISIONS OF THE NEWEST LEGISLATION THAT WAS PASSED ALLOWS US TO--AND I CAN ONLY TALK ABOUT THIS FROM, REALLY, WE'RE

JUST NOW MOVING INTO WORKING ON A LOT OF THE LEGISLATIVE PROVISIONS. SO I'M GIVING YOU WHAT IS REALLY SOME OF THE HIGHLIGHTS OF SOME OF THE CHANGES THAT ARE COMING DOWN. WE'LL BE DOING BACKGROUND CHECKS AND FINGERPRINTING, MULTIPLE STATE DATABASE ENQUIRIES, AND OTHER TYPES OF SCREENING JUST TO MAKE SURE THAT THOSE INDIVIDUALS WHO ARE COMING INTO OUR PROGRAM ARE NOT AFFILIATED WITH OTHER PEOPLE, OR REDUCE OUR RISK OF ABUSIVE BEHAVIOR. FOR SOME PROVIDERS THERE WILL BE COST FOR APPLYING AND ENROLLING IN THE PROGRAM NOW. IN THE PAST THERE WERE NO COSTS AT ALL. AND EVERYBODY, AS I SAID, WILL HAVE TO GET REENROLLED EVERY 3 YEARS. LET'S SEE. IF YOU OWE MONEY TO THE FEDERAL GOVERNMENT AND YOU HAVEN'T PAID IT BACK, AND YOU APPLY IN THE PROGRAM, WE'RE ACTUALLY GOING TO, YOU KNOW, MAKE SURE THAT YOU PAY BACK THAT MONEY IF YOU COME BACK INTO THE PROGRAM. IT SOUNDS LIKE NOTHING, BUT IT'S REALLY A VERY BIG DEAL, BECAUSE THERE'S WAYS TO COME IN AND OUT OF THE PROGRAM: JUST CHANGING YOUR NAME, YOUR BUSINESS STRUCTURE, ALL OF THAT. SO WE'RE LOOKING AT THOSE THINGS AS WELL. FOR SOME PROVIDERS, WHERE WE SEE THAT THERE IS AN ABUNDANCE OF PROVIDERS, OR REALLY NOT A NEED FOR A CERTAIN PROVIDER TYPE, WE WERE GIVEN THE AUTHORITY THAT WE'RE, YOU KNOW, WORKING THROUGH TO IMPOSE A MORATORIUM ON THAT, SO THAT WE DON'T NEED TO ADD ANOTHER "X" TYPE OF PROVIDER IN A MARKET THAT ALREADY LOOKS SATURATED. SO REALLY BEING ABLE TO LOOK AT THAT OBJECTIVELY. AGAIN, THE SURETY BOND. AND ONE MAJOR CHANGE THAT WILL LIKELY SPILL OVER ON YOUR SIDE ONE DAY IS, AS I SAID EARLIER, WHEN WE PAY FOR DURABLE MEDICAL EQUIPMENT WE REQUIRE THAT IT BE ORDERED BY A PHYSICIAN. AND PRIOR TO THIS YEAR THE ONLY

REQUIREMENT WAS THAT IT BE ORDERED BY A PHYSICIAN, OR HOW THE LAW REALLY DEFINES WHO ELSE CAN PRESCRIBE DME. SHORTLY, NOT ONLY DO YOU HAVE TO BE A PHYSICIAN, BUT YOU HAVE TO BE REGISTERED WITH MEDICARE BEFORE WE'LL PAY THE PERSON WHO'S PROVIDING THE SERVICE. SO THE ORDERING AND REFERRING PHYSICIAN ALSO HAVE TO BE REGISTERED WITH MEDICARE. WE'RE NOT GOING TO JUST ALLOW, YOU KNOW, THE EQUIPMENT TO BE SOLD BY A DME COMPANY, ORDERED BY EILEEN TURNER. EILEEN TURNER IS NOT ON THE PROVIDER FILE WITH MEDICARE. WE WANT TO MAKE SURE THAT THE BENEFICIARIES ARE RECEIVING EQUIPMENT THAT'S REALLY MEDICALLY NECESSARY. AND IF THEIR PHYSICIAN HAS ENROLLED WITH US, WE HAVE A CERTAIN LEVEL OF CONFIDENCE THAT, YES, THAT BENEFICIARY NEEDS THE ITEM, THE PHYSICIAN HAS ENROLLED WITH MEDICARE. WE KNOW WHO HE IS. HE DOES EXIST. IT WAS REALLY A AREA THAT WAS SORT OF RIPE FOR THE PICKING, SO WE'RE WORKING TO IMPROVE THAT AS WELL. IT WILL BE AN ITEM THAT WILL BE DISCUSSED. I'M SURE YOU WILL HEAR MORE AND MORE ABOUT IT OVER THE COMING MONTHS. BECAUSE IT'S A CHANGE. THE PROGRAM HAS PRETTY MUCH OPERATED THE SAME FOR MANY, MANY YEARS, BUT WE DO KNOW THAT WE NEED TO ENSURE THAT THE BENEFICIARIES ARE RECEIVING SERVICES BY PHYSICIANS WHO ARE REALLY QUALIFIED TO PROVIDE THOSE SERVICES, AND THAT THE EQUIPMENT HAS BEEN ORDERED BY SOMEBODY THAT WE KNOW. SO THAT'S WHY WE ARE WORKING ON THAT FRONT. WE'RE ALSO GOING TO BE LOOKING AT COMPLIANCE PLANS AND DEVELOPING GUIDELINES FOR COMPLIANCE PLANS FOR ALL PROVIDERS, NOT JUST PLANS AND THAT, BUT ALL PROVIDERS. AND IT'LL TAKE US SOME TIME TO GET THERE, BUT WE DO HAVE THE AUTHORITY TO DO, AND REQUIRE THAT UNDER THE MOST RECENT LEGISLATION.

WHEN WE OVERPAY SOMEONE, WE EXPECT THE MONEY TO COME BACK RATHER QUICKLY: 60 DAYS. AND WE'RE EXPECTING THAT THEY WILL DO THAT. I SPOKE ALREADY ABOUT THE 12 MONTHS FROM THE DATE OF SERVICE TO SUBMIT A CLAIM TO MEDICARE. AND WE'RE ALSO WORKING TO DO SOME OTHER THINGS. SOMETIMES THE FRAUD IS NOT ONLY PERPETRATED BY MYSTERIOUS INDIVIDUALS, BUT SOMETIMES THERE ARE BENEFICIARIES WHO ARE COMPLACENT IN IT, OR THEY ARE, YOU KNOW, ACTIVELY INVOLVED, KNOWINGLY, IN THE COMMISSION OF FRAUD AGAINST THE PROGRAM. WE HAVE A NUMBER OF PENALTIES IN PLACE FOR THE PROVIDERS. WE DON'T. O.I.G. DOES HAVE PENALTIES IN PLACE FOR PROVIDERS WHO COMMIT FRAUD AND OTHERS WHO COMMIT FRAUD. BUT NOW WE'RE ALSO RECOGNIZING THAT--NOT RECOGNIZING--BUT NOW WE'RE ALSO GOING TO BE LOOKING AT, YOU KNOW, FRAUDULENT BENEFICIARIES. BECAUSE THEY REALLY DO EXIST. THEY'RE NOT ALWAYS THE INNOCENT BYSTANDERS. SO LOOKING AT, YOU KNOW, THE NEW LEGISLATION GIVES US THE ABILITY TO DO THAT. AND ALSO JUST TO BE ABLE TO OBTAIN RECORDS THAT DOCUMENT ALL THE CARE AND SERVICES THAT ARE PROVIDED. AGAIN, THE LEGISLATION IS DOING A LOT TO SUPPORT OUR EFFORTS TO COMBAT AND FIGHT FRAUD, BUT I THINK ALL OF US HAVE A BIT OF RESPONSIBILITY AS WELL. ALL OF US ARE FAMILY MEMBERS. ALL OF US KNOW SOMEONE WHO'S ON MEDICARE. ALL OF US VISIT A DOCTOR, ET CETERA. ALL OF YOU ARE MEMBERS IN HEALTH PLANS. AND SO IT'S PROTECTION OF INFORMATION. IT'S KNOWING WHERE THAT INFORMATION IS. IT'S REALLY MAKING SURE THAT, YOU KNOW, THOSE LITTLE STATEMENTS THAT COME, PROVIDERS THAT ARE TALKING, THAT EVERYBODY IS SORT OF ATTUNED AND AWARE. SO I SORT OF GO THROUGH ALL OF THAT, RECOGNIZING THAT YOUR ACTIVITY IS CERTAIN A BIT DIFFERENT. BUT FROM

THE LARGER PERSPECTIVE, I HOPE THIS HAS SORT OF GIVEN YOU SOME SORT OF FRAMEWORK OR UNDERSTANDING OF WHAT WE'RE DOING ON THE OTHER SIDE OF THE HOUSE, AND IN PARTNERSHIP WITH YOU, TO FIGHT SOME OF THE FRAUD THAT'S RAMPANT IN OUR PROGRAM. WE KNOW THAT MANY OF YOU ARE WORKING WITH HEALTH INTEGRITY, ONE OF OUR MEDIC CONTRACTORS, ON TO HELP PREVENT IT FROM SORT OF TAKING OVER THE OTHER SIDE OF THE PROGRAM AS WELL. AND WE THINK THAT'S REALLY, YOU KNOW, THE WAY TO GO WHEN THERE IS A SURVEILLANCE AND INVESTIGATION UNIT IN PLACE. WE ALWAYS KNOW THAT IT'S REALLY A BEST PRACTICE AND IT REALLY DOES HELP. BECAUSE, REALLY, THIS IS A--FRAUD IN OUR PROGRAM IS REALLY A VERY--IT'S A MAJOR ISSUE. I ALWAYS TRY TO TALK ABOUT IT WITHOUT SCARING THE WORLD AND WITHOUT HAVING THOSE INDIVIDUALS WHO ARE REALLY, YOU KNOW, THE GOOD DOCS, AND THE GOOD DME COMPANIES, AND THE GOOD HOSPICES AND HOME HEALTH AGENCIES THAT REALLY ARE PROVIDING THE CARE THAT OUR BENEFICIARIES SO DESPERATELY NEED. DON'T WANT TO ROLL THEM UP INTO, YOU KNOW, ONE LITTLE BALL AND SAY THEY'RE ALL LIKE THIS. IT'S AN UNFAIR PICTURE TO PAINT. BUT JUST BRINGING UP GENERAL AWARENESS OF AREAS WHERE THERE IS CONCERN JUST BASED ON OUR EXPERIENCE IS MY PURPOSE IN BRINGING THIS UP FOR YOU TODAY. SO, WITH THAT, ANY QUESTIONS?

>> WILL I TAKE A COUPLE--

>> YEAH. QUESTIONS. AND I'LL SAY THIS: I DON'T KNOW IF ANY OF YOU KNOW WHO KIMBERLY BRANDT IS. SHE IS OVER THE CENTER FOR PROGRAM INTEGRITY. THE WOMAN HAS BOUNDLESS ENERGY, AND SHE KNOWS EVERYTHING. I'M NOT HER.

[LAUGHTER]

SO IF YOU HAVE QUESTIONS AND I CAN'T ANSWER THEM, I WILL DEFINITELY GET THEM BACK TO JULIE

AND WE'LL FIND A WAY TO DISPERSE  
THAT INFORMATION TO YOU. BUT I'M  
CERTAINLY WILLING TO TAKE  
QUESTIONS. WELL, HEY, YOU ALL CAME  
BACK, AND I'M HAPPY ABOUT THAT.  
OK. THANK YOU.  
[APPLAUSE]