

## FRAUD & ABUSE PROGRAM

### Policy Statement:

The Lovelace Health Plan (LHP) Fraud & Abuse Program is dedicated to detecting, investigating, and preventing all forms of suspicious activities related to possible health insurance fraud or abuse, including any reasonable belief that insurance fraud will be, is being, or has been committed.

### Background:

Healthcare fraud & abuse affects everyone, including employees, members, providers, and sub-contractors. LHP has written policies, procedures, and an Anti-Fraud Plan to address the prevention, detection, and investigation of suspicious activity. LHP also conducts fraud & abuse training and regularly publishes educational and informative articles in LHP newsletters.

Lovelace Health Plan, in compliance with the State of New Mexico Medical Assistance Division (Medicaid), Insurance Fraud Bureau (Commercial), Office of Inspector General (Medicare) and Office of Personnel Management (Federal Employee Health Benefits Program), has put in place a fraud & abuse program designed to meet regulatory requirements and protect health plan members, providers, and employees.

### Definitions of Fraud & Abuse:

**Fraud-** An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person. It includes any act that constitutes fraud under applicable federal or state law.

**Abuse-** Provider practices that are inconsistent with sound fiscal, business, or medical practices, and result in an unnecessary cost to Health programs, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care. It also includes recipient practices that result in unnecessary costs to the Health program.

Examples of Potential Fraud, Abuse, or Suspicious Activity:

Falsifying Claims/Encounters

Alteration of Claim  
services/benefits  
Incorrect Coding  
services/benefits  
Double Billing  
services  
Billing for services not provided  
Misrepresentation of services/supplies  
Substitution of services

Delivery of Services

Denying access to  
  
Limiting access to  
  
Failure to refer for needed  
  
Under-utilization  
Over-utilization

Administrative/Financial/Broker

Kickbacks/Stark violations  
Fraudulent credentials  
Fraudulent enrollment practices  
Fraudulent recoupment practices  
Embezzlement

Member Eligibility Fraud

Eligibility determination issues  
Resource misrepresentation  
Residency  
Household composition  
Income  
Citizenship status  
Prescription alteration/forgery  
Durable Medical Equipment

Member Abuse

Physical abuse  
theft  
Mental Abuse  
condition  
Emotional abuse  
liability  
Sexual Abuse  
Neglect  
Discrimination  
Providing substandard care  
Financial exploitation

Misrepresentation of medical  
  
Failure to report third party

Medicare Part D Fraud, Waste, and Abuse:

Medicare Part D is the new prescription drug benefit as part of the Medicare program. Along with the benefits of this program come opportunities for potential fraud waste and abuse. Some of the potential fraud waste and abuse violations include:



Billing for services not furnished and/or drugs not provided  
Billing non-covered prescription as covered items  
Billing for expired drugs  
Dispensing without a prescription  
Billing for recycled prescription drugs  
Billing for brand when generics are dispensed  
Altering scripts or data to obtain a higher payment amount  
Misrepresentations of dates, descriptions of prescriptions or services

The Lovelace Health Plan Fraud & Abuse unit along with the Medicare Drug Integrity Contractor (MEDIC) are working together to combat all potential violations.

How to Report Potential Fraud, Abuse, or Suspicious Activity:

If you suspect insurance fraud, abuse, or suspicious activity has occurred, is occurring, or will occur, please report it immediately through any of the following ways:

- Fraud & Abuse Telephone Hotline: (505) 727-5384
- Fax Info to the Fraud & Abuse Dept: (505) 727-5510
- Mail: Lovelace Health Plan  
Attn: Fraud & Abuse Department  
4101 Indian School Rd  
Albuquerque, NM 87109

In addition to the above reporting resources you may report potential Medicare Part D drug violations to the MEDIC at 1(877) 772-3379.

All reports are treated as confidential and will be investigated as appropriate, including applicable referral to law enforcement and regulatory bodies. Please include as much detail as possible to ensure our ability to investigate each issue. Reports may be made anonymously.