CENTERS FOR MEDICARE & MEDICAID SERVICES

Be Proactive: Support the Fight Against Fraud, Waste and Abuse (FWA)

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Agenda

- Risk Assessment and Routine Monitoring
- OIG Studies
  - High Risk Pharmacy Assessment
  - High Risk Prescriber Assessment
- Plan Sponsor Actions
- Resources

Prescription Drug FWA

Fraud is making false statements or representations of material facts to obtain some benefit or payment for which no entitlement would otherwise exist.

Waste is overuse resulting in unnecessary costs.

Abuse describes practices that, either directly or indirectly, result in unnecessary costs to the Medicare Program.

The key distinction between fraud and abuse is intent.

CMS Regulations
Risk Assessment

Routine Monitoring and Auditing for FWA Detection

"... Sponsors must establish and implement an effective system for routine monitoring and identification of compliance risks [including FWA]...Risk areas identified through CMS audits and oversight, as well as through the sponsor's own monitoring, audits and investigations are priority risks. The results of the risk assessment inform the development of the monitoring and audit work plan."

http://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/Downloads/Chapter9.pdf

Monitoring and Auditing Work Plan

Work plan ***must*** include "process for responding to all monitoring and auditing results and for conducting follow-up reviews of areas found to be non-compliant to determine if the implemented corrective actions have fully addressed the underlying problems."

*Chapter 9, Section 50.6.3

Work plan ***may*** include:

- ✓ Announced or unannounced audits to perform and schedules
- ✓ Audit types, methods and resources
- ✓ Person(s) responsible
- ✓ Final audit report due date

Audit findings may require follow up including referrals and corrective action.

CMS Notifications

Work plans may incorporate CMS notifications

- **CMS Fraud Alerts**
- **Best practices from CMS audits**
- **High Risk Pharmacy and High Risk Prescriber Assessments**

High Risk Assessments

Pharmacy High Risk Assessment

- Quarterly assessment to identify outlier status based on 16 different measures that analyze billing patterns in order to identify high risk pharmacies

Prescriber High Risk Assessment

- Identifies prescribers deemed high risk for FWA as related to their peers in the same state and specialty based on prescribing patterns for Schedule II drugs

HHS/OIG: High Risk Pharmacies

HHS/OIG Findings

- Analyzed records for all retail pharmacy prescriptions for 2009
- Used 8 measures to describe Part D billing practices and identify questionable billing
- Identified >2600 retail pharmacies with questionable billing, i.e., extremely high billing for at least 1 of 8 measures
- Monitor and further scrutinize outlier pharmacies

Department of Health and Human Services

OFFICE OF
INSPECTOR GENERAL

RETAIL PHARMACIES WITH
QUESTIONABLE
PART D BILLING

Daniel R. Levinson
Inspector General

May 2012
OEI-02-09-00600

CMS' Pharmacy Risk Score Assessment

- Identified high risk retail pharmacies with **16 distinct measures** to identify aberrant billing procedures – 8 OIG measures plus 8 additional
- Detected outliers compared to retail pharmacy peers
- Categorized pharmacies that exceed thresholds in 4 or more measures as **high risk**

Pharmacy Risk Measures	
Total paid	Percent PDEs HIV*
Total paid per beneficiary	Percent PDEs anti-psychotics *
PDEs per beneficiary *	Percent PDEs brand
Total paid per prescriber	Percent PDEs refill
PDEs per prescriber*	Percent PDEs CS III*
Percent PDEs CS II*	Percent PDEs compound
Percent PDEs CS II, beneficiaries < age 65*	Percent PDEs, beneficiaries < age 65
Percent PDEs dispensed as written	Percent PDEs catastrophic coverage

30-Day Equivalent

Example	Prescription Drug Event Record Count	Days Supply	30-Day Equivalent
Prescription 1	1	30	1.00
Prescription 2	1	90	3.00
Prescription 3	1	7	0.23
Prescription 4	1	15	0.50
Total	4	142	4.73

Prescriber Memo

Top Five States for High Risk Pharmacies

- Of 57,004 retail pharmacies in the review, 1,475 (2.6%) were outliers in 4 or more of 16 risk measures
- 80% of outliers were independent pharmacies
- Top states: NY, CA, FL, TX, NJ

HHS/OIG: High Risk Prescribers

Department of Health and Human Services

OFFICE OF
INSPECTOR GENERAL

PRESCRIBERS WITH
QUESTIONABLE PATTERNS
IN MEDICARE PART D

Daniel R. Levinson
Inspector General

June 2013
OEI-02-09-00603

HHS/OIG Findings

Analyzed 2009 PDE records using 5 metrics to assess Part D prescribing patterns

Findings show need for increased oversight:

-Expand NBI MEDIC analysis of prescribers

-Provide guidance on monitoring prescribing patterns

-Educate and train prescribers

-Follow up on prescribers with questionable billing patterns

CMS' Analysis Results

Measure	National Average for General-Care Physicians	Number of General-Care Physicians that Prescribed Extremely High Amounts
Average number of Prescriptions per Beneficiary	13	108
Number of Pharmacies Associated with each Prescriber	52	35
Percentage of Schedule II Drugs	2%	343
Percentage of Schedule III Drugs	3%	174
Percentage of Brand-Name Drugs	28%	116

From HHS/OIG Report: Prescribers with Questionable Patterns in Medicare Part D

CMS' High Risk Prescribers Analysis

- Analysis covered calendar years (CY) 2011, 2012 and 2013
- Review of Schedule II controlled substances
- Includes high volume prescribers -> at least 100 PDE records or $100,000 in total paid
- Includes 9 provider specialties

Analysis Inclusion Criteria

CMS' High Risk Prescribers Analysis

- Analysis covered calendar years (CY) 2011, 2012 and 2013
- Review of Schedule II controlled substances
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- **Includes 9 provider specialties**

Analysis Inclusion Criteria

Anesthesiology
Emergency Medicine
General Care Prescribers*
Nurse Practitioner
Orthopedic Surgery
Pain Medicine
Physical Medicine and Rehabilitation
Physician Assistant
Psychiatry and Neurology

*Includes Internal Medicine, Family Medicine and General Practice

CMS' High Risk Prescribers Analysis

- Analysis covered calendar years (CY) 2011, 2012 and 2013
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- Includes 9 provider specialties

Analysis Inclusion Criteria

- PDE record count and 30-day equivalent
- Peer-to-peer comparison by practice state and specialty
- Tukey method to identify outliers
- Categorize prescribers by risk: high, medium, low
- Focus on high risk prescribers

Outlier Assessment Measures

CMS' Analysis Results

Year	Prescribers of Schedule II Controlled Substances	Prescribers Selected for Analysis	High Risk Prescribers
2011	613,472	49,225	1,529
2012	612,939	53,460	1,656
2013	601,257	57,168	1,803

1,525 prescribers identified as high risk in at least 2 of the 3 years.

Prescriber Memo

- Shared assessment results with individual prescribers in September 2014
- Provided a report card describing prescribing patterns for Schedule II controlled substances relative to peers based on specialty and state

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CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR PROGRAM INTEGRITY

January 1, 2014

Pat Q. Provider MD
1234 Main St
Columbia, MD 21045
NPI: 1234567890
Specialty: General Care Practitioner

Re: You prescribed 362% MORE Schedule II controlled substances than your peers.

Dear Dr. Provider,

The figure to the right displays the total count of your Schedule II controlled substance prescriptions compared to other general care practitioners in Maryland.

As can be seen, you prescribed far more – 362% more – than similar specialists within your state.

We hope that you will use the information provided to see if your high prescribing level is appropriate for your patient population.

To assist in your monitoring efforts, CMS will be following up with you in the future. Starting in March, you will receive a letter each month with the latest information in our database about your Schedule II prescribing.

Schedule II Controlled Substance Prescriptions

Prescriptions: 1400, 1200, 1000, 800, 600, 400, 200, 0

Peers: 256

You: 1183

Read on for more information about the methodology used to analyze your prescribing behavior and to learn what actions to take next.

Sincerely,

Mark Majestic, Director
Medicare Program Integrity Group

Response to Prescriber Memo

Calls to NBI MEDIC hotline

- Prescribers primarily reported incorrect specialty type indicated in memo

Return to sender

- Outdated address information in National Plan and Provider Enumeration System (NPPES)

Second attempt letters

- Confirmed addresses in Provider Enrollment Chain and Ownership System (PECOS)

Investigations

- 38 new proactive investigations
- Reconfirmed previously flagged providers from 216 complaints, 155 investigations and 109 referrals

Requested Actions

High risk assessments are valuable supplements to plan sponsors' internal data analysis

Plan sponsors should routinely generate and review reports on pharmacy billing and medical claims, etc. based on data analysis to identify pharmacies and other FDRs that require further review*

*Chapter 9, Section 50.6.9

Plan Sponsor Actions: Monitoring Processes

- Confirm existing monitoring processes align with current Part D program requirements
- Conduct routine proactive data analysis using data from high risk prescriber and pharmacy lists

Plan Sponsor Actions: Fraud Detection and DUR

Target Fraud Detection Process and Drug Utilization Review*

- Focus fraud prevention efforts on high risk pharmacies and prescribers
- Look at beneficiaries who receive multiple drugs from high risk pharmacies or prescribers
- Review new providers with excessive claims volume or dollar amounts
- Consider point-of-sale edits based on parameters of high risk assessments

*Pursuant to 42 C.F.R. §423.153(b)(2)

Plan Sponsor Actions: Internal Claims Data Analysis

- Match office visit claims to high risk prescriber's prescription claims
- Validate addresses to confirm legitimacy of outlier pharmacies
- Investigate outliers based on analysis of internal claims data
- Monitor links between outlier prescribers, pharmacies and beneficiaries

Plan Sponsor Actions: Focused Data Analysis

- Conduct peer-to-peer comparison in same specialty and service area
- Watch for providers who bill same or similar items or services for most beneficiaries
- Create dashboard of normal values across time to watch developing trends
- Monitor standard data analysis reports to quickly identify suspects and schemes

Plan Sponsor Actions: Contractual Arrangements

- Review contracts with prescribers identified as high risk for FWA
- Consider disciplinary measures, including contract termination, if warranted

Action Reminder

Identification of prescriber or pharmacy in the high risk assessment alone does not prove FWA and is not grounds for plan sponsor to take action

Plan sponsor must conduct claims reviews and analysis per established protocols to confirm FWA and take action

Taking Action Against FWA

Prescriber Education

Prescriber memo with additional education and/or mandated training for prescribers

Procedural Changes

Modify procedures to identify outliers and continually monitor high risk prescribers

Disciplinary Actions

Initial warning letters and further action that may include removal from provider network

Making Referrals to NBI MEDIC

Plan sponsors should promptly refer investigation to NBI MEDIC or law enforcement when preliminary investigation supports potential FWA

- Potential criminal, civil or administrative law violations
- Allegation extends beyond PDP/MAPD, involving multiple health plans, multiple states or widespread schemes
- Allegation involving known patterns of fraud
- Pattern of fraud or abuse threatening the life or well being of beneficiaries
- Scheme with large financial risk to the Medicare program or beneficiaries

Referrals should contain specific information to enable investigator to follow up, including basic identifying information, contacts and description of the allegation

Educational Resources

High Risk Assessment FAQ

Drug Diversion Webinar

Fraud Handbook

http://medic-outreach.rainmakerssolutions.com/pharmacy-high-risk-assessment/

http://medic-outreach.rainmakerssolutions.com/wp-content/uploads/2014/04/Fraud-Handbook.pdf

http://medic-outreach.rainmakerssolutions.com/common-fraud-schemes-drug-diversion-webinar/

What is PLATO?

Fraud Detection Web-Based Data Tool

Tracks Outcomes of Pharmacy and Provider Fraud, Waste and Abuse (FWA)

Contains National Data Summary Information

Benefits of PLATO

- Allows for the review of high-risk Medicare Part D pharmacies and providers identified by data projects
- Makes national data available and shares actions taken by other Medicare Advantage and Part D plan sponsors
- Provides data for all Part D pharmacies and providers and additional details on those identified as high-risk leads

Who will use PLATO

PLATO Access

- URL: https://plato.healthintegrity.org
- Internet Explorer 9 or Above, Google Chrome, or Firefox Required for Access
- Application Must Be Submitted and Approved
- User ID and Password Link Sent in Separate Emails
- Password Lockout After 3 Failed Attempts in 24 Hours
  - To Prevent Lockout, Click on “Reset Password”

Value of High Risk Assessments

One audit from one plan sponsor and PBM based on the High Risk Pharmacy Assessment led to 37 terminated pharmacies

Questions

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