FWA Program

Program Description

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Introduction

Paramount is committed to conducting its business operations in compliance with ethical standards, internal policies and procedures, contractual obligations and all applicable federal and state statutes, regulations and rules, including those pertaining to the Centers for Medicare and Medicaid Services ("CMS") Part C and D programs and Federally-Facilitated Marketplace; ODM (the Ohio Department of Medicaid) and the Office of Inspector General ("OIG"). This Fraud, Waste and Abuse ("FWA") Program Description applies to all lines of business in which Paramount is involved and is an adjunct to the ProMedica Compliance Plan and the Paramount Compliance Supplement document. Paramount's commitment to guard against FWA extends to its own internal business operations, as well as, its oversight and monitoring responsibilities related to its contracted entities (including First-tier, Downstream and Related Entities).

Paramount has formalized its FWA activities through a comprehensive FWA Program. The FWA Program Description is reviewed on a regular basis and revised as necessary.

All Paramount Workforce and contracted entities are obligated to report any suspicion of FWA in a timely manner.

The FWA Program Description does not address every aspect of Paramount's activities and all applicable legal issues that may result. If any Workforce member, Board member and/or contracted entity has a question about the FWA Program, he/she should seek guidance from his/her Paramount contact or Paramount's Regulatory Compliance Director. The FWA Program Description is available to all Workforce via the company-wide intranet.

Definitions

Abuse Includes actions that may, directly or indirectly, result in: unnecessary costs to any health care benefit program, improper payment, payment for services that fail to meet professionally recognized standards of care, or services that are medically unnecessary. Abuse involves payment for items or services when there is no legal entitlement to that payment and the provider has not knowingly and/or intentionally misrepresented facts to obtain payment. Abuse cannot be differentiated categorically from fraud, because the distinction between "fraud" and "abuse" depends on specific facts and circumstances, intent and prior knowledge, and available evidence among other factors.

CMS Centers for Medicare and Medicaid Services: Federal agency under the Department of Health and Human Services responsible for administering the Medicare and Medicaid programs as well as the Federally-Facilitated Marketplace.

DHHS Department of Health and Human Services: CMS is an agency within the DHHS that administers the Medicare Program.

Downstream Entities A party that enters into a written arrangement, acceptable to CMS with persons or entities involved with a Medicare Part C, or Part D benefit, below the level of the arrangement between Paramount and a first tier entity. These written arrangements continue down to the level of the ultimate provider of both health and administrative services.

FCA False Claims Act is a federal law that imposes liability on persons and companies who defraud governmental programs. It is the federal Government's primary tool in combating fraud against the Government.

First Tier Entity A party that enters into a written arrangement, acceptable to CMS, with Paramount to provide administrative services or health care services to a Paramount member for Medicare Part C and/or Part D benefits.

Fraud Knowingly and willfully executing, or attempting to execute, a scheme or artifice to defraud any health care benefit program or to obtain (by means of false or fraudulent pretenses, representations, or promises) any of the money or property owned by, or under the custody or control of, any health care benefit program.

GSA Government Services Administration: the GSA is an independent agency of the United States government, established to help manage and support the basic functioning of federal agencies.

HPMS Health Plan Management System is CMS' web-enabled information system that serves a critical role in the ongoing operations of the Medicare Advantage (MA), Part D and MMP programs. HPMS functionality facilitates the numerous data collection and reporting activities mandated for these entities by legislation. HPMS also provides support for the ongoing operations of the plan enrollment and plan compliance business functions.

LEIE List of Excluded Individuals and Entities: OIG's List of Excluded Individuals/Entities (LEIE) provides information to the health care industry, patients and the public regarding individuals and entities currently excluded from participation in Medicare, Medicaid and all other federal health care programs. Individuals and entities who have been reinstated are removed from the LEIE.

Monitoring Regular reviews performed as part of normal operations to confirm ongoing compliance and to ensure that corrective actions are undertaken and effective.

NBI MEDIC National Benefit Integrity Medicare Drug Integrity Contractor: An organization that CMS has contracted with to perform specific program integrity functions for Parts C and D, and MMPs under the Medicare Integrity Program. The NBI MEDIC's primary role is to identify potential FWA in Medicare Parts C and D.

Non-Compliance Failure or refusal to act in accordance with the organization's Compliance Program, or other standards or procedures, or with federal or state laws or regulations.

ODM Ohio Department of Medicaid.

OIG Office of the Inspector General ("OIG"): The OIG is responsible for audits, evaluations, investigations, and law enforcement efforts relating to DHHS programs and operations, including the Medicare program.

Related Entity An entity that is related to Paramount by common ownership or control, and either performs some of Paramount's management functions (contract or delegation) or furnishes services to Paramount members (under an oral or written arrangement) or leases real property or sells materials to Paramount at a cost of more than $2,500 during a contract period.

Waste Overutilization of services, or other practices that, directly or indirectly, result in unnecessary costs to any health care benefit program. Waste is generally not considered to be caused by criminally negligent actions but rather a misuse of resources.

Workforce All persons directly engaged in work on behalf of Paramount including employees, volunteers, interns, and trainees.

Examples of Healthcare FWA

By Members:

- Allowing someone else to use his/her Member identification card to receive medical care, medications, supplies or equipment, etc.
- Agreeing to let a healthcare provider bill Paramount for services he/she never received
- Misrepresenting a medical condition to obtain services
- Knowingly providing false information (wrong date of birth, address etc.) on enrollment forms

By Providers:

- Billing for medically unnecessary services/procedures
- Not billing according to the American Medical Association ("AMA"), American Association of Professional Coders ("AAPC") and/or Centers of Medicare and Medicaid Services ("CMS")
  - o Billing for services not rendered
  - o Upcoding (using procedure or diagnosis codes that pay at a higher rate)
  - o Unbundling of claims
  - o Routinely submitting duplicate claims
- Receiving kickbacks for referrals

By Workforce Members:

- Misrepresenting facts in order to deny or approve benefits
- Obtaining kickbacks for referrals
- Creating a fictitious provider in order to pay false claims
- Forging member's signature for enrollment purposes
- Misrepresenting benefits
- Impersonating a government employee

By Pharmacies:

- Inappropriately billing
  - o Billing multiple payers for the same prescription
  - o Billing for non-existent prescriptions
  - o Billing for brand drugs when generics are dispensed
  - o Billing for an item not dispensed
- Shorting prescription drugs
- Dispensing expired prescription drugs

Policy Statement of FWA

Paramount and its Workforce are committed to upholding high standards of honesty and integrity in all areas of practice. Paramount believes that it is in the best interest of its members, participating providers and the community to prevent FWA, which can have a significant impact on the quality of healthcare and costs.

Paramount has designed specific activities in addition to routine operational activities which may result in the detection, prevention and reporting of FWA. All members of the Paramount workforce and/or governing body and contracted entities are obligated to immediately report any suspicion of FWA. Internal and external reporting mechanisms are available to anyone who suspects FWA within Paramount or its network.

The Regulatory Compliance Department provides education related to the detection, prevention, investigation and reporting of FWA.

Mission and Goals of the FWA Program

The mission of Paramount's FWA Program is to protect the integrity of Paramount, along with federal and state programs by actively detecting, preventing, investigating and reporting suspected cases of FWA.

The goals of Paramount's FWA Program are to:

- Detect, prevent, investigate and report incidents of FWA;
- Implement internal policies and procedures to accomplish the mission and to mitigate the risk for recurrence;
- Report instances of substantiated FWA to the appropriate government agencies and/or law enforcement;
- Cooperate fully with all investigations of FWA conducted by government agencies and/or law enforcement;
- Prevent and/or recover payments lost to fraudulent, wasteful and/or abusive billings;
- Provide communication and education regarding FWA;
- Educate Paramount Workforce, governing body, and contracted entities about identifying FWA; and
- Provide methods for internal and external individuals to report suspected incidents of FWA to Paramount.

FWA Program Staff Organization

The development and ongoing monitoring of the FWA Program is charged to the Regulatory Compliance Department. The roles and responsibilities listed below include specific functions related to FWA and routine operational activities that may contribute to the detection, prevention, investigation and reporting of FWA.

The **Regulatory Compliance Department** responsibilities regarding FWA include, but are not limited to:

- Leading a cross-functional Loss Prevention Team;
- Implementing and managing Paramount's FWA Program;
- Developing policies and procedures to a) prevent FWA and b) assure internal controls are in place to address risk areas;
- Monitoring and researching laws and regulations impacting Paramount's FWA Program,
- Investigating reported cases of suspected FWA;
- Reporting all substantiated cases of FWA to appropriate external agencies;
- Maintaining documentation of all investigations;
- Conducting ongoing FWA training;
- Researching all fraud alerts issued by CMS, OIG, ODM or the Ohio Attorney General to determine impact to Paramount;
- Providing training materials to members, workforce, governing body, and contracted entities; and
- Annually reviewing the FWA Program Description.

All Paramount Operational, Administrative and Clinical departments' duties include, but are not limited to:

- Alerting the Regulatory Compliance Department to any potential FWA cases;
- When needed, working collaboratively with the Regulatory Compliance Department to investigate and resolve cases of FWA.

Additional **Pharmacy Services Department** duties include, but are not limited to:

- Overseeing Paramount's Pharmacy Benefit Manager's FWA program activities;
- Reviewing the Pharmacy Benefit Manager's FWA activity reports and following up on actionable items;
- Alerting the Regulatory Compliance Department to any potential cases of FWA;
- When needed, working collaboratively with Regulatory Compliance Department to investigate potential FWA cases of pharmacy services.

Additional **Membership Department** duties include, but are not limited to:

- Conducting member demographic and eligibility reconciliations with available CMS, ODM and Employer Group data;
- Pursuing external agencies for completing outstanding eligibility transactions; and
- Working collaboratively with the Regulatory Compliance Department to investigate and resolve any cases of FWA.

Additional **Member Services** duties include, but are not limited to:

- Monitoring member calls, appeals and grievances reports for any patterns that may indicate potential FWA incidents; and promptly reporting such incidents to the Regulatory Compliance Department.

FWA Prevention Efforts

Paramount works to prevent FWA in a number of ways, including routine operational activities that serve a dual purpose; and specific functions developed to assist in the prevention of FWA.

Routine Operational Activities

- Compliance Hotline:
  - Paramount utilizes ProMedica's toll-free compliance hotline which is available 24 hours a day, 7 days a week, 365 days a year; Paramount's Workforce, contracted entities and Members may call the Hotline at 1-800-807-2693 to anonymously report suspected FWA cases.
- Identification of Debarred Individuals or Excluded Providers:
  - Ongoing review of the Office of the Inspector General ("OIG") List of Excluded Individuals and Entities ("LEIE"), the Government Services Administration (GSA) Excluded Parties list, FDA Exclusion List, and State Exclusions Lists to:
    - Assure that Workforce members, have not been excluded;
    - Assure any contracted entity has not been excluded; and
    - Assure that members of Paramount's Board of Directors are not excluded from participation.
  - Provider Contracting: Paramount has a comprehensive credentialing and recredentialing process in order to take necessary precautions to assure it does not contract with providers that do not meet the Paramount standards.

Specific FWA Prevention Activities

- Paramount's Loss Prevention Team provides advice to and assists the Regulatory Compliance Director in developing and implementing Paramount's FWA Program.
- FWA Team Lead & Analysts in collaboration with other staff as appropriate conducts the following activities:
  - Investigates reports of potential FWA;
  - Conducts claims data analysis;
  - Conducts Pharmacy Benefit Manager data analysis;
  - Involves internal subject matter experts for assistance with investigations, when identified;
  - Processes fraud alerts and investigates to determine if there is Paramount impact;
  - Reviews annual OIG work plan to identify current fraudulent schemes;
  - Summarizes and reports investigation results to appropriate internal Paramount Committees; and
  - Reports cases to external regulatory authorities, when indicated.
- Paramount's Regulatory Compliance Department is responsible to educate Workforce and governing body members on FWA, including the detection, prevention and reporting of suspected cases.
  - Topics within FWA training and education include, but are not limited to:
    - Definitions of FWA;
    - Examples of FWA;
    - Review of specific industry scenarios and current schemes;
    - Review of key regulations concerning FWA including, but not limited to:
      - Deficit Reduction Act

- False Claims Act (Federal and State)
- Whistleblower Protections (Federal and State)
- Anti-Kickback Statute
- Stark Law
- Civil monetary penalties of the Social Security Act
- Fraud and Abuse, Privacy and Security Provisions of the Health Insurance Portability and Accountability Act, as modified by HITECH Act
- Fraud Enforcement and Recovery Act of 2009
- Patient Protection and Affordable Care Act

o Posters displayed throughout common areas advising employees on how to report potential FWA; and

o Specific operational department trainings, when requested.

Provider and Member Awareness and Education

Paramount's commitment to detection, prevention, investigation and reporting of FWA is displayed in the following ways:

- FWA education and information contained within Paramount's Provider Manual;
- Periodic FWA education and communication in Provider Newsletters;
- Paramount makes CMS' FWA and General Compliance Training available on its external website http://www.Paramounthealthcare.com; and
- FWA education and information contained within Member Newsletters

FWA Policies and Procedures

Paramount has policies and procedures in place to assist in detecting, preventing, investigating and reporting FWA. Paramount's Workforce is informed of these policies and procedures during FWA training and periodically through the year. All of Paramount Policies and Procedures can also be found on Paramount's Intranet site under *Par I Doc*; ProMedica Policies and Procedures can be found on ProMedica's Intranet site, *MyProMedica*. Both Paramount and ProMedica Policies and Procedures are made available to contracted entities upon request.

Paramount and ProMedica maintain the following written Policies and Procedures to support daily operations and oversight of the FWA Program:

PARAMOUNT

- CL-14 Claims Payment Recovery Program
- Delegat-1 Oversight of FDRs and Delegated Entities
- MEDCD-23 Employee Education About False Claims Recovery
- MEDCD-26 CFF/JS/ABD Medicaid Consumers Annual Medicaid Provider Agreement Compliance Training
- MS-17 Loss Prevention and Abuse
- PHARM-14 Office of Inspector General (OIG) Excluded Providers
- PR-1 Credentialing
- PR-2 Recredentialing
- PR-4 Termination of Physician/Provider Agreement
- PR-11 Ongoing Monitoring of Sanctions and Complaints

- PR-12 Provider Compliance Monitoring/Corrective Action
- REG-3 Fraud
- REG-4 Compliance Plan Overview
- REG-5 Loss Prevention Employee Incentive
- REG-6 Member Termination for Fraud
- REG-8 Sanction Screening
- REG-9 CMS General Compliance and FWA Training
- REG-12 Identity Theft Prevention Program

PROMEDICA

- HR 600 Performance Improvement
- SP 1.01 Auditing and Monitoring
- SP 1.03 Standards of Conduct/Administration
- SP 1.05 Compliance Hotline
- SP 1.06 Compliance Issue Resolution
- SP 1.09 Corporate Compliance Plan Overview
- SP 1.10 Education and Training
- SP 1.12 Fraud
- SP 1.13 Problem Reporting & Non-Retaliation
- SP 1.18 Sanction Screening
- SP 1.26 False Claim Education
- SP 1.27 Corporate Compliance for Vendors
- SP 1.28 Identity Theft Prevention Program

FWA Detection

Being proactive in the detection of FWA is a crucial element of an effective FWA Program. FWA can be detected through routine operational activities as well as activities specifically designed for the detection of FWA.

Routine Operational Activities:

Examples include, but are not limited to:

- Change Healthcare/TC3, a software system, generates reports to identify potential areas of FWA before each check run. Change Healthcare/TC3 captures federal regulations, correct coding rules, and industry lessons learned. Examples include duplicate bills submitted by the same provider, improper units and incorrect coding combinations.
- Data Analysis of claim payments to identify trends in bills and payments.
- Utilization Management
    - o The Medical Advisory Committee meets regularly and is responsible for monitoring the quality, continuity and coordination of care as well as the overutilization and under-utilization of services.
    - o The Medical Advisory Committee's responsibilities include the review, monitoring and analysis of utilization and cost information associated with the delivery of care and services to Paramount members, development and dissemination of clinical protocols and evidence based practice guidelines, identification and dissemination of best practice policies and procedures and assurance of standardized implementation of policies across the provider network.
    - o The Medical Advisory Committee evaluates and addresses systemic issues that impact quality of care and identify potential risk management issues.

Specific FWA Detection Activities

Examples include, but are not limited to:

- Investigation of complaints made by members, contracted entities and/or Paramount's Workforce regarding potential FWA; and
- Paramount's Director of Pharmacy Services and Regulatory Compliance Department receive regular reports from the Pharmacy Benefit Manager about possible and/or active FWA investigations.

Sources of FWA Referrals

Suspected incidents FWA referrals may be identified from many different sources. Sources include, but are not limited to:

Internal Sources

- Workforce
- Loss Prevention Employee Incentive Program
- Compliance Hotline reports
- Data analysis

- Internal audits
- Provider site visits

External Sources

- Providers, Vendors, Contracted Entities
- Members and/or their families or caregivers
- Law enforcement
- Government agencies
- External auditors
- Fraud alerts
- News articles

Response and Reporting of FWA

Any suspected case of FWA is to be reported promptly upon identification to Paramount's FWA Team within the Regulatory Compliance Department. Paramount's Workforce may report the case directly to a FWA Team member, the Director of Regulatory Compliance, their manager or supervisor, or through the Compliance Hotline.

An investigation of suspected FWA may involve a review of relevant documentation and records, interviews with Workforce, Member(s), providers, and/or contracted entities, and analysis of applicable laws and regulations. The investigation steps and results of any all investigations are documented in Paramount's FWA Database.

Upon receipt of reports or reasonable indications of suspected FWA, the FWA Team investigates the allegation(s). The FWA Team completes a case report on cases of suspected FWA for internal review and a referral is made to the NBI Medic and any applicable agency, when indicated. The FWA Team works collaboratively with internal and external stakeholders, as necessary, to complete the investigation.

If an incident is determined to be a substantiated case of FWA, the following actions may occur:

- Referral of any waste, abuse or potentially fraudulent conduct or inappropriate utilization activities for further investigation to ODM in relation to Medicaid activities or to the appropriate NBI MEDIC in relation to Medicare;
- Cooperation with law enforcement and NBI MEDIC;
- Reporting of potential violations of federal law to the OIG or to appropriate law enforcement authorities;
- Identification and repayment of any overpayments to the appropriate party; and
- Disciplinary actions for any of Paramount's Workforce and/or contracted entities found to have engaged in FWA practices, up to and including termination of employment/contract.

If necessary, a corrective action plan is developed and put into place. All corrective action plans are documented and include progress reports with respect to each error identified. Additional training for Paramount's Workforce and/or others as identified is conducted as necessary.