



## Special Investigations Policies and Procedures Compliance

**Responsible Dept:** SI-Special Investigations  
**Policy Section:** SI 4.0  
**Policy Number:** SI 4.1

**Memo Attached:**  No  Yes

<b>Policy Title</b>	<b>Making Referrals to and Responding to Requests from Law Enforcement and Regulatory Agencies</b>
<b>Purpose</b>	To outline the processes for referring suspected fraud, waste and abuse cases to law enforcement and for responding to requests from law enforcement regarding suspected fraud, waste and abuse
<b>Policy Statement</b>	Blue Cross & Blue Shield of Rhode Island (BCBSRI) will cooperate with all requests from law enforcement and regulatory agencies regarding potential fraud, waste and abuse. In addition, BCBSRI will refer suspected fraud, waste and abuse to law enforcement and regulatory agencies as appropriate.

### I. PROCEDURES

#### A. Scope

All requests from, and referrals to, law enforcement and regulatory agencies regarding potential fraud, waste and abuse (FWA) involving BCBSRI members and/or participating providers should be coordinated through the Special Investigations Unit (SIU).

#### B. Responding to Requests from Law Enforcement and Regulatory Agencies

1. From time to time, BCBSRI may receive requests from representatives of law enforcement and/or regulatory agencies regarding suspected FWA. It is BCBSRI's policy to cooperate with all requests from law enforcement and/or regulatory agencies to the extent permitted by law. Examples of agencies from which the SIU may receive requests include, but are not limited to:
  - a. The United State's Attorney's Office
  - b. The Office of Inspector General
  - c. The Drug Enforcement Agency/Food & Drug Administration
  - d. The Department of Labor
  - e. The Centers for Medicare and Medicaid Services
  - f. Medicare Drug Integrity Contractors
  - g. The State of Rhode Island Department of Human Services

- h. The State of Rhode Island Department of Health
  - i. The State of Rhode Island Office of Attorney General
2. In order for BCBSRI to respond to requests for information from law enforcement and/or regulatory agencies regarding suspected FWA, the request must be received by BCBSRI in writing on the agency's official letterhead. The request should specify the information being requested and the format the information should be delivered in, as well as the date the information is needed by. If any of this information is missing or the SIU needs clarification regarding the request, a representative of the SIU will contact the requesting agency for clarification.
  3. In some cases, BCBSRI may be asked to provide data that includes a member's protected health information (PHI). When providing data and information that includes PHI, the SIU will disclose the minimum amount of information necessary and adhere to all applicable policies and procedures. Data provided electronically will be provided on a password protected disk or through secure e-mail. The SIU will document all disclosures and send to the Privacy Office in accordance with CC 7.7, Tracking Disclosures of Members' Information.
  4. If the SIU has information regarding the case in question that was not requested by law enforcement or the regulatory agency and the SIU believes the information is relevant to the case or may be helpful to the requesting party, the SIU may provide that information. Examples of such information include provider profiling data and current and/or previous investigations of the member or provider in question.

C. Referrals to Medicare Drug Integrity Contractors

1. If the SIU becomes aware of an instance of FWA with respect to the Medicare Part D program, the SIU or its designee will initiate an investigation within two weeks of becoming aware. If, after conducting an investigation, the SIU or its designee determines that fraud or other potential misconduct related to the Medicare Part D program has occurred, the SIU will refer the case to the appropriate Medicare Drug Integrity Contractor (MEDIC) as soon as possible, but no later than 60 days after the determination that a violation may have occurred. The SIU may also choose to report the case to one of the agencies listed in Section B.1 of this policy.
2. When making a referral to the MEDIC, the SIU will include the following information (to the extent available):
  - a. Provider name, all known billing and tax identification numbers, and addresses;
  - b. Type of provider involved in the allegation and the perpetrator, if an employee of the provider;
  - c. Type of item or service involved in the allegation;
  - d. Place of service;

- e. Nature of the allegation(s);
- f. Timeframe of the allegation(s);
- g. Narration of the steps taken and information uncovered during the SIU's investigation;
- h. Date of Medicare Part D service, drug code(s);
- i. Beneficiary name, beneficiary Health Insurance Claim (HIC) number, address and telephone number;
- j. Name and telephone number of the employee who received the complaint;
- k. Contact information of the complainant, if the complainant is not the member; and
- l. All documents pertaining to prior sanctions and/or compliance history and corrective actions taken, if any.

D. Referrals to Law Enforcement and Regulatory Agencies

1. If the SIU has reason to believe that a member or provider has committed fraud or identifies serious potential quality of care issues, the SIU may refer the case to regulatory agencies and/or law enforcement. Cases may be referred to one or more of the agencies listed in section B.1 of this policy.
2. Prior to referring a case to law enforcement or a regulatory agency, the SIU will ensure that the case has been reviewed by a BCBSRI Medical Director and/or the General Counsel or his/her designee.
3. If the case is accepted by law enforcement for development, the SIU will respond to requests for additional information regarding the case in accordance with Section B. of this policy.



## Administrative Policies and Procedures Compliance

**Responsible Dept:** SI-Special Investigations  
**Policy Section:** AD 4.0  
**Policy Number:** AD 4.10

**Memo Attached:**  No  Yes

<b>Policy Title</b>	<b>Detection of Fraud and Abuse</b>
<b>Purpose</b>	To identify instances where members, providers, vendors, or employees may be committing acts of fraud, waste or abuse and forward any concerns for appropriate investigation or action.
<b>Policy Statement</b>	Blue Cross & Blue Shield of Rhode Island (BCBSRI) will monitor the work of each department for instances of fraud, waste and abuse and forward any suspected cases of fraud, waste and abuse to the Special Investigations Unit (SIU) for review.

### I. PROCEDURES

#### A. Fraud prevention is every employee's responsibility.

1. All BCBSRI employees must seek to identify and eliminate instances of fraud and abuse.
2. Fraud is defined as the intentional misrepresentation of an important fact submitted on, or in support of, a healthcare claim, or application for healthcare coverage, for the purpose of obtaining something, to which you (or someone else) is not entitled.
3. Abuse is defined as any practice that is inconsistent with sound fiscal, business or medical practices and results in unnecessary cost to the state, federal government or health insurer, or in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards of medical practice.
4. Examples of Fraud and Abuse include, but are not limited to the following:
  - a. Providers
    - i. Billing for services not rendered;
    - ii. Deliberately filing incorrect diagnosis or procedure codes to maximize payment;
    - iii. Misrepresenting services or dates of service;
    - iv. Billing non-covered services as covered services;
    - v. An eligible provider billing for services provided by a non-eligible provider or individual;
    - vi. Accepting or offering kickbacks and bribery;

- vii. Billing for "free" services (e.g., services of immediate family members that would ordinarily be provided at no charge).
- b. Members
  - i. Loaning a BCBSRI identification card for use by another person;
  - ii. Enrolling someone not eligible for coverage under their policy or group coverage;
  - iii. Altering the amount or date of service on a claim form or prescription receipt;
  - iv. Fabricating claims;
  - v. "Doctor shopping" (seeing several providers to obtain frequent drug prescriptions) and excessive trips to the emergency room for narcotics.
- c. Non-members
  - i. Using a stolen BCBSRI card for medical services or prescriptions.
- d. Employer groups
  - i. Providing false group and/or employee membership information.
- e. BCBSRI employees
  - i. Creating claims; and
  - ii. Changing member or provider addresses to intercept payments.

**B. Reporting Potential Fraud**

1. If, in the course of department work, an employee receives or uncovers information that leads the employee to suspect that a member, provider, vendor, or employee may be committing fraud, waste or abuse, the supervisor(s) and manager of the department are notified.
2. The supervisor and manager review the facts presented. If fraud or abuse appears to exist, they will contact the Special Investigations Unit (SIU) for further investigation.
3. The SIU will investigate the issue, notify any appropriate state or federal agency, and recover any resulting overpayments.
4. If, for any reason, an employee feels that he/she cannot discuss the issue with the supervisor or manager of the department, he/she can call the BCBSRI fraud hotline directly at 1-800-424-8700.



## Administrative Policies and Procedures Compliance

**Responsible Dept:** SI-Special Investigations  
**Policy Section:** AD 4.0  
**Policy Number:** AD 4.11

**Memo Attached:**  No  Yes

<b>Policy Title</b>	<b>Investigations of Fraud, Waste and Abuse</b>
<b>Purpose</b>	To create a consistent and efficient procedure for investigating and responding to potential fraud, waste and abuse complaints and concerns that are brought to the attention of the Special Investigations Unit.
<b>Policy Statement</b>	The Special Investigations Unit, assisted by other designated individuals and departments as deemed appropriate, is responsible for timely investigation of suspected fraud, waste and abuse. The Special Investigations Unit investigates, documents, and oversees corrective actions when there are suspected incidents of fraud, waste and abuse.

### I. PROCEDURES

#### A. Scope

Detection and prevention of fraud, waste and abuse (FWA) is the responsibility of all employees. Blue Cross & Blue Shield of Rhode Island (BCBSRI) is committed to the detection and deterrence of FWA as a means of supporting BCBSRI's mission, ensuring that inappropriate payments are identified and recouped, and that action is taken against perpetrators of FWA.

#### B. Reporting and Detection Mechanisms

1. Potential FWA cases can be identified or received by the Special Investigations Unit (SIU) through a variety of mechanisms, including, but not limited to:
  - a. verbally or in writing from employees, providers, vendors, and members;
  - b. through monitoring of member and provider billing and payment patterns such as provider profiling;
  - c. via the Fraud Hotline;
  - d. via the Special Investigations Reporting Form (Attachment 1);

- e. through a referral from another department involved in the analysis of member or provider billing patterns, and through a referral from the Grievance & Appeals Unit or Customer & Provider Services, identified during the investigation of a complaint;
  - f. through referrals from law enforcement, regulatory agencies, the Blue Cross and Blue Shield Association, and the National Healthcare Anti-Fraud Association;
  - g. through a referral by a member or provider from the SIU link on BCBSRI.com.
2. Reports of potential FWA can be made anonymously. All possible measures shall be taken to protect the anonymity and confidentiality of the reporting individual. BCBSRI will not tolerate retribution against any individual who makes a report in good faith.

### **C. Investigation Process**

The SIU reviews all identified and reported issues to determine the validity and severity of the potential case and the extent of any further investigation. Investigations are conducted based on the nature and potential severity of the issue cited rather than by the order the reports are received. However, the SIU will initiate a reasonable inquiry into all potential instances of FWA under the Medicare Part D program within two weeks of the date the issue is identified. Once the SIU makes a determination to open an investigation on a particular issue, the following procedures are followed:

1. The SIU sends an acknowledgement to the source of the report, if applicable, if the source is known. If the source is internal, the acknowledgement can be in the form of an internal e-mail.
2. The SIU performs research to determine the validity of the report. The research may include, but not be limited to, reviews of provider and member claims history, reviews of billing and/or payment history or patterns, reviews of prescribing/ordering history, reviews of medical records, on-site review or monitoring of a provider office, interviews with providers and/or members and review of provider and/or member contacts with BCBSRI.
3. At any point in the investigation, the SIU may seek assistance from internal and external experts such as physicians, pharmacists, business partners, coding experts, attorneys, law enforcement and government integrity contractors such as the Medicare Drug Integrity Contractors.

4. At any point in the investigation, the SIU may elect to suspend payments to a member or provider suspected of committing FWA. Any claims suspended will be routed to the SIU for review. Claims unrelated to the issue under investigation will be promptly released for payment. Payment for claims related to the issue under investigation may be held until the investigation is completed.
5. SIU staff documents referrals and investigations in the Special Investigations folder within Compliance 360. Access to the SIU folder is restricted to SIU staff and other appropriate BCBSRI staff (Medical Directors, Legal Staff, etc.). The following information is documented for each referral/case:
  - a. issue number;
  - b. date identified;
  - c. referral source;
  - d. contact (if disclosed);
  - e. investigation steps, documents and contacts;
  - f. financial impact (if applicable);
  - g. actions taken (if applicable).

**D. Actions (when applicable)**

1. If overpayments or inappropriate payments are identified during the investigation of a FWA case, every effort will be made to recover the full overpayment. In some cases, the SIU may negotiate a settlement with a member or provider to recover a portion of the overpayment or inappropriate payment. The SIU may also allow providers or members to repay BCBSRI over a period of time.
2. If the SIU has reason to believe that a member or provider has committed fraud or identifies serious potential quality of care issues, the SIU may refer the case to regulatory agencies and/or law enforcement. Examples of agencies the SIU may refer cases to include, but are not limited to:
  - a. The United State's Attorney's Office
  - b. The Office of Inspector General
  - c. The Drug Enforcement Agency/Food & Drug Administration
  - d. The Department of Labor
  - e. The Centers for Medicare & Medicaid Services

- f. Medicare Drug Integrity Contractors
  - g. The State of Rhode Island Department of Human Services
  - h. The State of Rhode Island Department of Health
  - i. The State of Rhode Island Office of Attorney General
3. If the SIU has reason to believe that a provider has committed fraud, the SIU may also recommend that the provider's participation with BCBSRI be terminated for cause. In cases where the SIU believes that a provider's participation with BCBSRI should be terminated, the SIU will coordinate with the Legal Department, Professional Relations and the Medical Directors to determine appropriate actions.
4. If the SIU has reason to believe that a member or group of members has committed fraud, the SIU may recommend that a member's or group of members' BCBSRI coverage be terminated. In cases where the SIU believes that a member's BCBSRI coverage should be terminated, the SIU will coordinate with the Legal Department and any other affected area to determine appropriate actions.



## Customer Service Policies and Procedures

### Member Education and Service: Response to Inquiries and Service Requests Detection of Fraud and Abuse

Responsible Dept: **CS-Customer Service**  
 Policy Section: **CS 6.0**  
 Policy Number: **CS 6.0**

Memo Attached:     No     Yes

<b>Policy Title</b>	<b>Detection of Fraud and Abuse</b>
<b>Purpose</b>	To identify instances where members or providers may be violating the terms of the Blue Cross & Blue Shield of Rhode Island (BCBSRI) contract or abusing the Medicaid, Medicare, or Commercial system.
<b>Policy Statement</b>	The Customer Service Department implements monitoring activities designed to identify possible instances of fraud or abuse among members and providers.

#### I. PROCEDURES

##### A. Fraud or Abuse by Members

1. The Customer Service Department seeks to identify and eliminate instances of fraud, which is an intentional misrepresentation by an individual or entity which results in an unauthorized benefit.
2. If it is found that a member has allowed another person to use his or her identification (ID) card, the member is involuntarily disenrolled from BCBSRI and advised of his or her right to file a complaint with the Corporation.

**Note:** For BlueCHiP for RIte Care, the program manager is notified so that appropriate coordination takes place with the Department of Human Services - Center for Child and Family Health for the disenrollment.

3. If any questions or comments coming into the Customer Service Department lead a representative to suspect that a member may be abusing the Medicaid, Medicare, or Commercial system, the managers and team leaders of the Customer Service Department are notified. The managers and team leaders will contact the Special Investigations Unit (SIU) for further investigation. This unit will take responsibility to notify the appropriate state or federal agency and investigate the issue(s).
4. The managers and team leaders of the Customer Service Department will retain documents related to decisions to disenroll for fraud or abuse. These documents will be retained to report disenrollments to the Office of Inspector General for Medicare members and Department of Human Services - Center for Child and Family Health for RIte Care members.

5. If a customer service representative (CSR) identified a potential fraud issue with any customer, the CSR would refer it to their team leader to notify the SIU for investigation.

**B. Fraud or Abuse by Providers**

1. When a member calls the Customer Service Department to report suspected fraudulent billing by a provider, the CSR advises the member that the CSR will call the provider to check on the claim and then he/she will get back to the member.
2. The CSR should research the claim, which could include both pulling the copy of the claim and/or contacting the provider to verify that the correct name, date of birth, address, and ID number was billed by the provider. The CSR should also ask the office if they requested both a copy of the member's ID card and another form of ID when the member was in the office.
3. If the CSR is unable to resolve the matter and fraud is still suspected, the issue will be referred by the Customer Service Department to the SIU for investigation.

Members may write or telephone directly to the following agencies:

**BlueCHiP for RIte Care Members**

Collection, Claims & Recovery/Fraud Unit  
206 Elmwood Avenue  
Providence, RI 02907

**Fraud Unit at (401) 222-1700**, Monday thru Friday from 8:30 a.m. to 4:00 p.m. After hours and weekends you may leave a message on an answering machine. **Fax: (401) 222-1708.**

**E-mail:** [fraud@dhs.ri.gov](mailto:fraud@dhs.ri.gov)

**BlueCHiP for Medicare Members**

Office of Inspector General  
Department of Health and Human Services  
Attn: HOTLINE  
PO Box 23489  
Washington, DC 20026

Office of Inspector General's (OIG) National Fraud Hotline  
Phone: 1-800 447-8477

Fax: 1-800-223-8164  
TTY: 1-800-377-4950

**Federal Employee Health Benefits (FEHB) Program Members**

United States Office of Personnel Management  
Office of the Inspector General Fraud Hotline  
1900 E. Street N.W., Room 6400  
Washington, D.C. 20415-1100

The Healthcare Fraud Hotline  
(202) 418-3300

**E-mail:** [OIGHotline@opm.gov](mailto:OIGHotline@opm.gov)

**BCBSRI Commercial Members**

Insurance Advocacy Unit  
RI Department of the Attorney General  
150 South Main Street  
Providence, RI 02903  
(401) 274-4400