



Provider Fraud & Claims-Handling Strategies

Presenters from the Orange County District Attorney's Office,
Insurance Fraud Unit:

Tony Ferrentino – Assistant District Attorney, Supervising Attorney
Shaddi Kamiabipour – Senior Deputy District Attorney



The scope of the problem...

- Estimated chargeable fraud is expected to be close to **1.5 billion dollars**.
- **60%** of the liens in the system belong to **5%** of the providers.
 - *These numbers do not take into accounts claims that never become liens or fraud we don't know about.*

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(500)
HEALTHY INSURANCE CLAIM FORM
RECEIVED
MAY 25 2017

HELLO, I'M A CROOKED PROVIDER
COMMITTING MILLIONS OF DOLLARS
OF INSURANCE FRUAD. PLEASE PAY
THIS BILL FOR SERVICES I REALLY DIDN'T
PERFORM AS SOON AS POSSIBLE
BECAUSE I NEED TO MAKE MY YACHT
PAYMENT. THANK YOU!



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Is there an easy way to detect the fraud?

- Are Data Analytics Necessary?
 - Great Tool
- Your record keeping method *can* make you a specific target.
- Your payment decisions absolutely impact whether you become a target.

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How do we prove Provider Fraud in criminal prosecutions?

- Evidence:
 - CMS 1500 forms submitted
 - vs. what really happened.

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What if only portions of the claim are false or not medically necessary?

21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 24E by Line)										22. MEDICAID RESUBMISSION CODE		ORIGINAL REF. NO.				
1. 723.1 CERVICALGIA										3. 722.4 Disc disorder, Cervi						
2. 722.0 Disc disorder, Cervi 723.0 Spinal steno										23. PRIOR AUTHORIZATION NUMBER						
24. A. DATE(S) OF SERVICE			B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances)			E. DIAGNOSIS POINTER	F. \$ CHARGES	G. DAYS OR UNITS	H. ICD9 Family Plan	I. ID. QUAL.	J. RENDERING PROVIDER ID. #			
MM	DD	YY	MM	DD	YY	CPT/HCPCS	MODIFIER									
1																
03	03	11				11		MAGNETIC IMAGE CERVICAL WO CONTRAST	72141		1234	1760.00	1.0	NPI	A49414	159887760
2																
03	03	11				11		MRI OF THE C/S 3D RECON IMAGES	76375		1234	440.00	1.0	NPI	A49414	159887760
3																

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What if only portions of the claim are false or not medically necessary?

- Do you believe that your non-payment is enough action?
- Should you file an FD-1 (Fraud Referral)?
- Should you keep track of this provider?

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INSURANCE CARRIER: ACE

CPT Code 76375 (3d Imaging / MRI)

Patient Last Name, First Name	Claim # or Insured Policy #	Date of Service	Date HCFA Received by Insurance Company	CPT 76375 Only Amount Billed	Total Billed on HCFA (Box 28)	Date of Latest Demand Letter for Payment on Liens	Examining Physician
[REDACTED]	[REDACTED]	3/25/2009	11/16/10	880.00	4,400.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	7/12/2010	9/29/10	440.00	2,200.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	6/29/2007	12/23/10	440.00	2,200.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	2/8/2008	11/16/10	5,720.00	33,473.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	3/21/2007	12/27/10	1,760.00	8,800.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	3/26/2008	12/23/10	880.00	4,400.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	3/15/2010	6/16/10	1,320.00	2,200.00	6/3/2010	Dr. Fernando Rayas
[REDACTED]	[REDACTED]	6/14/2010	10/8/10	1,320.00	2,200.00	9/27/2010	Dr. Kamran Afiaoor
[REDACTED]	[REDACTED]	11/14/2008	1/18/11	880.00	4,400.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	3/23/2011	6/16/11	880.00	1,426.00	5/26/2011	Dr. Satish Kadaba
[REDACTED]	[REDACTED]	7/12/2011	8/15/11	440.00	5,368.00	8/10/2011	Dr. Fred Hafezi
[REDACTED]	[REDACTED]	12/1/2010	2/18/11	440.00	2,200.00	Collection Letter	Dr. Dumont
[REDACTED]	[REDACTED]	12/17/2008	12/27/10	3,520.00	17,600.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	4/28/2010	8/11/10	375.00	2,175.00	7/23/2010	Dr. Kevin Pelton
[REDACTED]	[REDACTED]	8/27/2010	11/10/11	1,760.00	4,400.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	10/22/2004	12/23/10	440.00	2,200.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	6/16/2008	12/29/10	2,640.00	7,140.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	10/12/2010	1/18/11	1,320.00	2,200.00	1/6/2011	Dr. Rahimian
[REDACTED]	[REDACTED]	3/16/2006	12/23/10	440.00	2,200.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	7/24/2007	12/27/10	440.00	2,200.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	10/23/2007	12/23/10	1,595.00	16,257.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	9/28/2010	10/16/10	880.00	4,400.00	10/8/2010	Dr. Jose Lopez
[REDACTED]	[REDACTED]	5/27/2009	12/27/10	1,760.00	8,800.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	6/5/2009	12/23/10	440.00	3,960.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	2/24/2009	9/28/10	880.00	4,400.00	Collection Letter	Not Identified
[REDACTED]	[REDACTED]	9/8/2010	11/15/10	440.00	2,200.00	10/19/2010	Dr. Fernando Rayas
[REDACTED]	[REDACTED]	10/6/2010	11/5/10	880.00	2,200.00	12/27/2010	Dr. Ira Reinherz
[REDACTED]	[REDACTED]	2/3/2011	4/13/11	440.00	2,200.00	4/4/2011	Dr. Rahil Khan

GRAND TOTAL BILLED for Advanced Professional Imaging CPT 76375 and GRAND TOTAL BILLED (Box 28): \$64,559.00 \$298,369.00

GRAND TOTAL PAID for Advanced Professional Imaging CPT 76375 and GRAND TOTAL PAID (Box 28): \$9,520.50 \$50,627.41

REPEAT.

Other considerations

- Should you pay attention to billing for services not rendered?
- Should you file an FD-1?
- Should you keep track of this provider?

19 RESERVED FOR LOCAL USE

20 OUTSIDE LAB? YES NO \$0-CHARGES 00

21 DIAGNOSIS OR NATURE OF ILLNESS OR INJURY (Relate Items 1, 2, 3 or 4 to Item 245 by Line)

NA NOT APPLICABLE

22 MEDICARE RESUBMISSION CODE ORIGINAL REF NO

23 PRIOR AUTHORIZATION NUMBER

24 A	DATE(S) OF SERVICE	B	C	D	E	F	G	H	I	J
NM	From To	TYPE OF SERVICE	EMG	PROCEDURES SERVICES OR SUPPLIES (Exclude Local Circumstances)	DIAGNOSIS POINTER	\$ CHARGES	DATE OR LATE	PER	DEAL	RENDERING PROVIDER #
1	02 14 11	11		CCR 9795.3(b)(2) Interpreter	1	190.00	1.0			NPI
2										NPI
3										NPI
4										NPI
5										NPI
6										NPI

25 FEDERAL TAX ID NUMBER 20-8804326

26 PATIENT'S ACCOUNT NO 163068-1204059

27 ACCEPT ASSIGNMENT? YES NO

28 TOTAL CHARGE \$ 190.00

29 AMOUNT PAID \$.00

30 BALANCE DUE \$ 190.00

31 SIGNATURE OF PHYSICIAN OR SUPPLIER INCLUDING DEGREES OR CREDENTIALS
Signature on file/
ADV MED SUPPORT INC

32 SERVICE FACILITY LOCATION INFORMATION
SERVICE PERFORMED
BETTER SLEEPING
SAN BERNARDINO CA

33 BILLING PROVIDER INFO & PH #
ADVANCED MED SUPPORT INC
PO BOX 7129
BUENA PARK CA 90622

SIGNED 04/19/12 DATE

PHYSICIAN OR SUPPLIER INFORMATION

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INSURANCE CARRIER: HELPFUL INSURANCE COMPANY IN CALIFORNIA
ADVANCED MEDICAL SUPPORT

Patient Last Name	Patient First Name	Date of Service	Total Amount Billed on HCFA (Box 28)	Location of Services Rendered (Box 32)	Name of Interpreter (if provided)
	Maria	9/17/12	\$190.00	Pacific Sleep Med Gip	Fernando Rodriguez
	Jose A.	4/18/11	\$190.00	Better Sleeping, SanBernardino	Fernando Rodriguez
	Adelina	10/25/11	\$190.00	APL Buena Park	Fernando Rodriguez
	Adrian	3/24/10	\$190.00	Better Sleeping, San Bernardino	Fernando Rodriguez
	Javier	11/3/10	\$190.00	Better Sleeping, SanBernardino	Fernando Rodriguez
	Francisco	11/10/11	\$190.00	Better Sleeping Buena park	Fernando Rodriguez
	Ernesto	9/21/10	\$190.00	Better Sleeping, Buena Park	Fernando Rodriguez
	Jesus J.	6/23/08	\$190.00	Better Sleeping Buena Park	Fernando Rodriguez
	Celestino	3/24/10	\$190.00	Better Sleeping, Buena Park	Fernando Rodriguez
	Francisco	7/5/12	\$190.00	Better Sleeping, Buena Park	Fernando Rodriguez
	Fernando	07/30/08	\$190.00	Better Sleeping, San Bernardino	Fernando Rodriguez
	Luis L.	2/14/11	\$190.00	Better Sleeping, SanBernardino	Fernando Rodriguez
	Jose G.	3/3/08	\$190.00	Better Sleeping Buena Park	NA
	Marcelino	10/6/10	\$190.00	Better Sleeping Buena Park	Fernando Rodriguez
	Geronimo A.	9/30/10	\$190.00	Better Sleeping Buena Park	Fernando Rodriguez
	Frankel	1/13/11	\$190.00	Better Sleeping Buena Park	Fernando Rodriguez
	Jose	12/27/12	\$190.00	Adv Pro Imaging, Buena Park	Fernando Rodriguez
	Agustin J.	3/17/08	\$190.00	unspecified	Fernando Rodriguez
	Arturo	2/21/11	\$190.00	Better Sleeping Buena Park	Fernando Rodriguez
	Alejandro	2/22/11	\$190.00	Ca Psyche Care, Los Angeles	Fernando Rodriguez
	Silvia	2/22/07	\$190.00	N/A	Fernando Rodriguez
	Silvia	2/13/08	\$190.00	Better Sleeping, Buena Park	NA
	Alfredo	9/28/10	\$190.00	Better Sleeping Buena Park	Fernando Rodriguez
	Miguel Ángel	no org bill	\$190.00	NA	NA

GRAND TOTAL BILLED for Advanced Medical \$294,286.10

GRAND TOTAL PAID for Advanced Medical \$65,719.49

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More considerations...

- What if the bill appears to be for services that are not medically necessary under the circumstances?
- Should you keep track of this provider?
- Should you file an FD-1?
- Should you contact the provider?

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Practical clues...

- Urine Toxicology
 - Not related to pain management or addiction
- Genetic Testing
- Compound Medications / Transdermal or otherwise
- MRI of body parts that are not part of the claim
- Documentation looks boilerplate or inadequate.

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Look for...

- Massive amounts of claims from a single provider.
- Physicians who own businesses outside of their area of expertise.
- What is written in boxes 30, 31 & 32 on the CMS1500 form.

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CONCLUDING REMARKS



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