

# 2023 Seminar

## ***Fraud, Waste, & Abuse (FWA) and Eligibility:***

*What is healthcare FWA and why does it matter to me?*



# NALC HBP'S FWA Requirements

## OIG

Office of Inspector General

## OPM

Office of Personnel  
Management

- The Office of Inspector General (OIG) is an independent organization charged with protecting the integrity of OPM programs and operations.
- The Inspector General Act of 1978 gave the Office of the Inspector General (OIG) the authority to accept complaints from the Office of Personnel Management (OPM) employees, contractors, and the public concerning criminal activity, **Fraud, Waste, Abuse**, and mismanagement of OPM programs and operations.
- The NALC Health Benefit Plan operates under the authority of the Office of Personnel Management's (OPM) Federal Employee Health Benefit Program (FEHB Program), and as a result, the Plan is required to submit reportable **Fraud, Waste and Abuse** to OPM's Office of Inspector General.
- The Office of the Inspector General (OIG) is considered a Federal Law Enforcement agency.



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FWA increases the cost of  
healthcare for  
**EVERYONE**

& increases your Federal  
Employees Health Benefits  
(FEHB) Program premium.

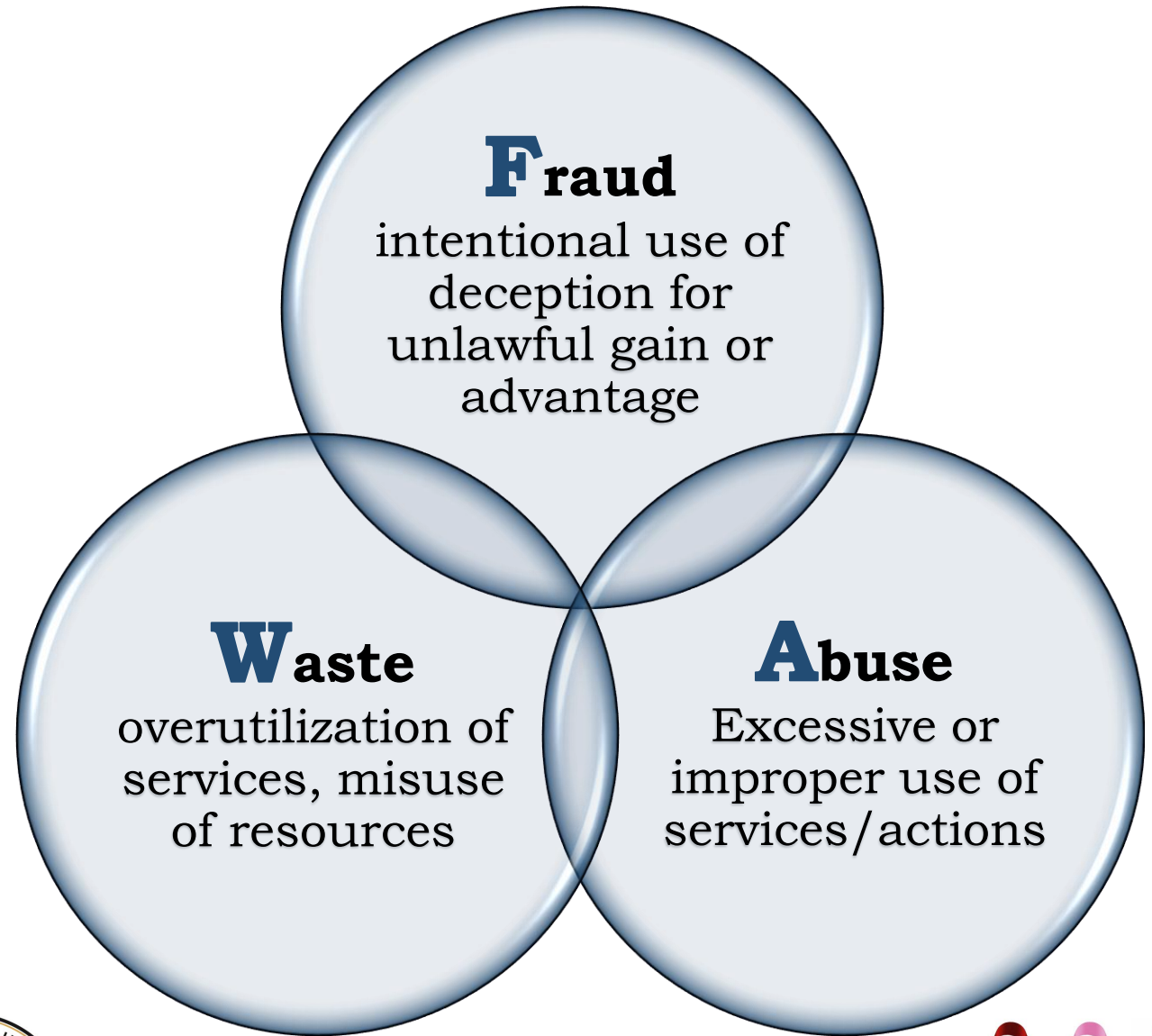
FWA can be  
committed by  
**ANYONE**

Providers

Contractors

Employees

Plan Members



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# Provider FWA Examples

- Billing for services not rendered, up-coded, unbundled, or free
- Billing for equipment never delivered or returned
- Accepting bribes to funnel patients to a specific provider
- Fabricating medical records
- Providing medically unnecessary services



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# Member FWA Examples



Doctor Shopping – Emergency Room hopping



Falsifying claims for reimbursement



Insurance ID Card Swapping



Not submitting eligibility status changes in a timely manner



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# FWA Consequences

- *Restitution*
- *Debarred*
- *Fines*
- *Arrest*
- *Convicted*



# NALC HBP'S FWA Mission

**PREVENT**

**DETECT**

**INVESTIGATE**

**All Plan Employees are  
Proactive & Vigilant**

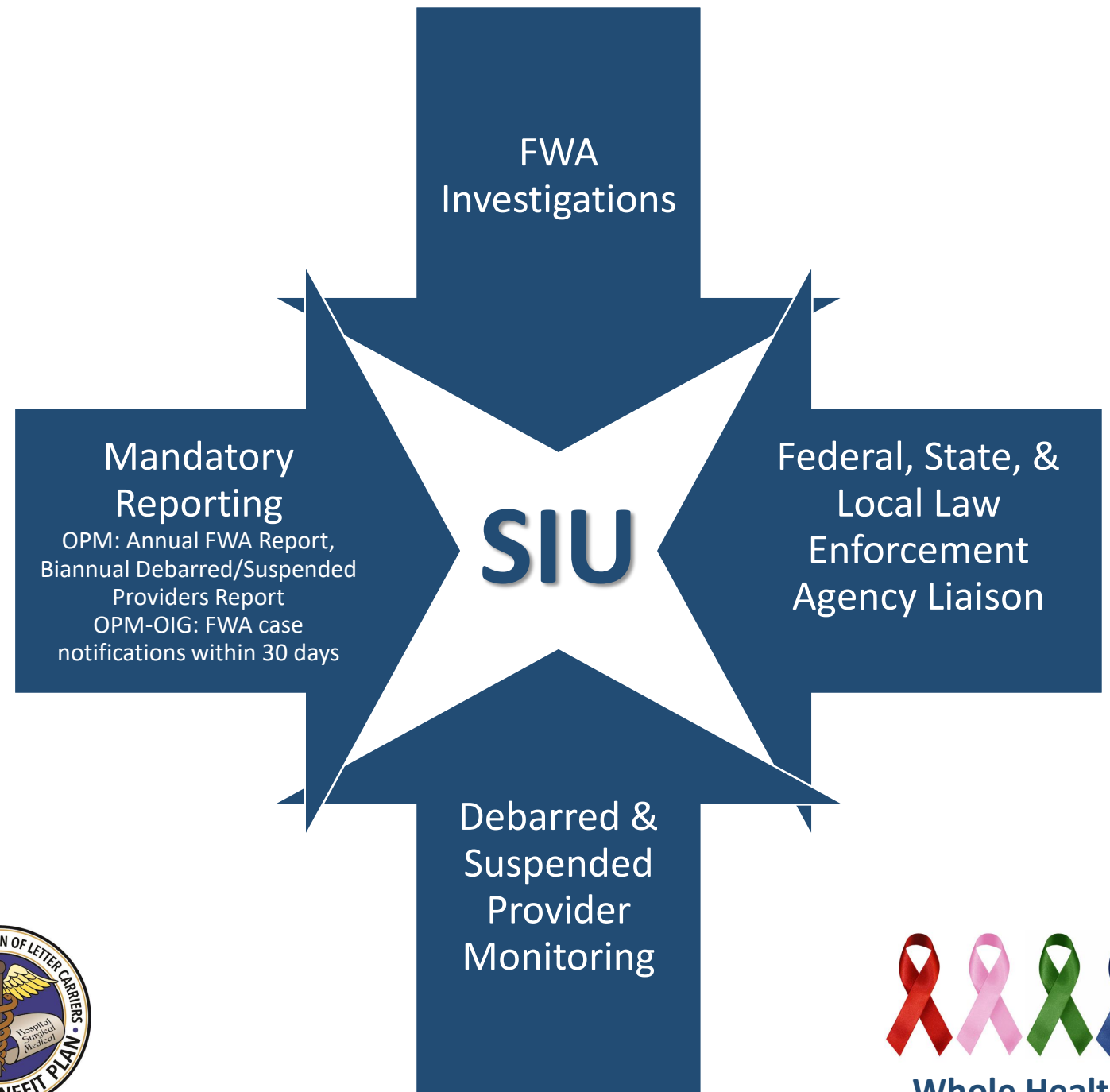
**Suspected FWA Issues are  
Reported Immediately to the  
Special Investigation Unit (SIU)**



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# SPECIAL INVESTIGATION UNIT

The Plan's Special Investigation Unit (SIU) is responsible for preventing, detecting and investigating allegations of FWA, both internally and externally.



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# 2021 SIU STATISTICS

Cases  
Opened

**1,923**

127 Member  
Tips

Over-  
payments

**\$1.6  
million**

Recoveries

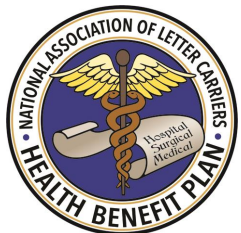
**\$356,000**

Savings

**\$3.5  
million**

Prevented  
Loss

**\$1.6  
million**



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# 2022 SIU STATISTICS

Cases  
Opened  
**2,032**

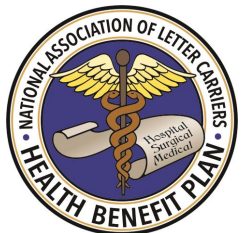
143 Member  
Tips

Over-  
payments  
**\$2.1  
million**

Recoveries  
**\$822,000**

Savings  
**\$2.4  
million**

Prevented  
Loss  
**\$2.8  
million**



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# Your FWA Responsibility as an HBR

**BE  
PROACTIVE**

## You are the Plan's 1<sup>st</sup> Line of Defense

- 🔍 Ask questions about anything you are unsure of.
- 🔍 If you suspect something, report it!
- 🔍 Be cooperative with investigations.

**DETECT**

**REPORT**



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# Your FWA Responsibility as an HBR

**BE  
PROACTIVE  
  
DETECT  
  
REPORT**

## Protect Yourself

- Do not give your plan ID number over the phone or to people you do not know, *except* for your healthcare provider, authorized health benefits plan, or OPM representative.
- Only let appropriate medical professionals review your medical records or recommend services.
- Avoid using healthcare providers who say that an item or service is not *usually* covered, but they know how to bill us to get it paid.
- Carefully review your Explanation of Benefits (EOBs)
- Periodically review your claim history.
- Do not ask your physician to make falsifications in order to get us to pay for an item or service.



# How to Handle FWA Incidents

If you suspect that a provider has charged you for services you did not receive, billed you twice for the same service, or misrepresented any information, call the provider and ask for an explanation. There may be an error.

If the provider does not resolve the matter, you don't feel comfortable contacting the provider, or have another type of FWA allegation:

**Call the Plan's FWA Hotline  
703-729-4677 or 888-636-NALC (6252)**

The Plan's Customer Service Department will document your allegations and report them directly to SIU for investigation.



# How to Handle FWA Incidents

If the Plan does not resolve the issue:  
You may report directly to OPM-OIG.  
<https://oig.opm.gov/contact/hotline>


To report FWA to OPM you must fill out **OPM's Hotline Complaint Form** or forward your tip to one of the following:

OIG Hotline Number: 877-499-7295

Written Complaints May Be Sent To:  
OPM Office of the Inspector General  
ATTN: OIG Fraud Hotline  
1900 E Street NW, Room #6400  
Washington, DC 20415-1100



An official website of the United States government [Here's how you know](#) ▾



**Office of Personnel Management**  
Office of the Inspector General

[Whistleblower Rights & Protections](#)  
[Report Fraud, Waste, or Abuse](#)

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Home > Contact

## Report Fraud, Waste, or Abuse

**File a Hotline Complaint with the OIG**  
Anyone with knowledge of fraud, waste, abuse, misconduct, or mismanagement involving the U.S. Office of Personnel Management should [submit a Hotline complaint](#).

**Report to the OIG**  
[Hotline to Report Fraud, Waste, or Abuse](#)  
Whistleblower Rights & Protections

About the Office of Personnel Management Office of the Inspector General Hotline Operations

# FWA IN THE MEDIA

## “Seven Sentenced in Kickback Conspiracy to Defraud Federal Health Insurance Programs”

- Durable medical equipment (DME) companies entered into agreements with marketing companies to purchase completed product orders
- Marketing companies entered into agreements with telemedicine companies to obtain signed prescriptions
- Telemedicine physicians would sign the prescriptions without speaking to or examining the patient.
- DME company would then submit claims to federal health insurance programs.
- 7 individuals sentenced after pleading guilty for kickback conspiracy case - top sentences were:
  1. 24 months in federal prison, 3-year court-ordered supervision, ordered to pay \$1,850,000 in restitution
  2. 15 months in federal prison, 3-year court-ordered supervision, ordered to pay \$1,003,300 in restitution
  3. 12 months 1 day in federal prison, 3-year court-ordered supervision, ordered to pay \$919,548 in restitution



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# FWA IN THE MEDIA

## “Bay City Vascular Surgeon Pleads Guilty”

**Provider plead guilty – according to the plea agreement:**

- **billed for placement of multiple stents in same vessel and prepared medical records to justify the billing when the services were never rendered**
- **Medical records would describe encountering occluded arteries to justify arterial thrombectomies when he often didn't encounter them, didn't perform the procedure, and billed for services not rendered**

**Provider faces up to 10 years in prison and forfeiture of \$19.5 million. A civil forfeiture case for \$39.9 million seized from accounts controlled by the provider remains pending.**



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# ***Eligibility***



# Who is Eligible under My Enrollment?

## EXAMPLES OF COVERED

- Spouse
- Children up to age 26
- Children over age 26 (disabled or incapable of self-support)
- Authorized Foster children
- Stepchildren

## EXAMPLES OF NOT COVERED

- Ex-spouse
- Children over the age of 26
- Parents
- Roommates/friends
- Brother or Sister
- Anyone, other than yourself, if you have a Self Only policy

If you have any questions about the eligibility of a dependent, check with your personnel office(active), OPM(retired), or National Finance Center (TCC enrollments).



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# Eligibility Determinations

In general, the Plan **cannot** make eligibility determinations for employees, annuitants, or spouses.

If you have a Self Plus One or a Self and Family policy the Plan **can** make eligibility determinations to add a stepchildren, adopted children or a new baby to your enrollment



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# Your Eligibility Responsibilities

- ✓ The member is responsible for telling the Plan about certain changes to enrollments that do not affect premium withholdings.
- ✓ Review your 1095B every year to verify who is on your policy.
- ✓ Notify the Plan when a divorce has been finalized.
- ✓ Notify the Plan if your children are 26 or over but qualify as disabled or incapable of self-support
- ✓ Overpayments for ineligible dependents on your enrollment are the member's responsibility
- ✓ If your enrollment continues after you are no longer eligible for coverage and premiums are not paid, you will be responsible for all benefits paid during the period. You can be prosecuted for fraud for knowingly using health insurance benefits for which you have not not paid premiums.

*The Plan may request verification of any or all family members listed as covered under the enrollee's FEHB enrollment.*



## Cancellation

- Voluntary action taken by the enrollee
- No 31-day extension of coverage
- No conversion rights
- Not eligible to enroll in Temporary Continuation of Coverage (TCC)

## Termination

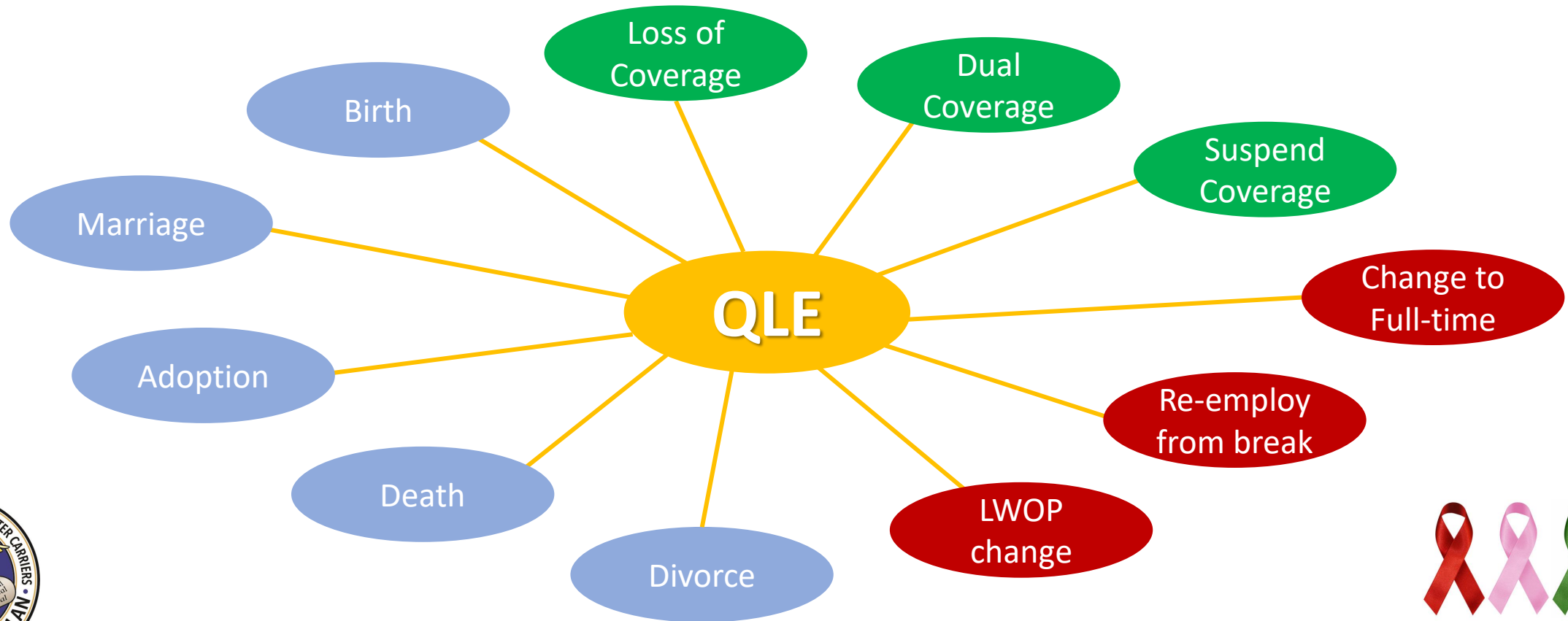
- Enrollee has conversion rights after termination
- May elect to enroll in Temporary Continuation of Coverage (TCC)
- Most common reasons for termination
  - Separation from federal service
  - After 365 days in leave without pay (LWOP) status
  - Not eligible to continue coverage into retirement



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# Qualifying Life Events (QLE)

Qualifying life events (QLE), are changes that can be made outside of Open Season. QLE changes must be elected within 60 days after the qualifying event.



For a complete list of QLEs, visit the FEHB website at [www.opm.gov/healthcare-insurance/life-events](http://www.opm.gov/healthcare-insurance/life-events)



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**For Complete Details on Family  
Member Eligibility, visit:**

**[www.opm.gov/healthcare-  
insurance/healthcare/reference-  
materials/reference/family-  
members](http://www.opm.gov/healthcare-insurance/healthcare/reference-materials/reference/family-members)**



Questions?



*Thank you!*