

LIBERTY Dental Plan Inc.

Policies & Procedures: **POTENTIAL FRAUD, WASTE AND ABUSE PROGRAM**

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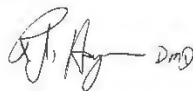
Responsible Department:
Quality Management
Regulatory Affairs & Compliance

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Approved By:
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Executive Vice President



Richard Hague, DMD
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12-21-2004	01-07-2010	12-09-2014
04-01-2005	01-05-2011	01-14-2015
12-05-2006	01-12-2012	02-18-2015
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10-01-2008	12-18-2013	

PURPOSE/SCOPE:

To establish a process for identification, detection and deterrence of fraudulent activity related to dental plan operations.

To develop a process for disclosure of potential fraudulent activities that are identified and detected through this program to the appropriate entities including our health plan partners.

To monitor and track the progress of suspected fraudulent activities through steps of detection, research, identification, investigation, confirmation and resolution of all eligible incidents involving suspected fraudulent activity with regard to dental services provided by LIBERTY Dental Plan

POLICY:

It is the Policy of LIBERTY Dental Plan ("LIBERTY") that a Potential Fraud, Waste and Abuse (PFWA) Program be in place, and that the PFWA Program be in compliance with all related federal, state, local and client-specific requirements to be comprehensive in nature. The PFWA Program shall include a description of the responsibilities and obligations of all its participating providers, subscribers and enrollees with regard to the reporting, monitoring, investigation, prosecution and referral of suspected fraudulent activity and truly identified fraud to the appropriate agencies including government and law enforcement where appropriate and required.

LIBERTY monitors, investigates, detects, prosecutes and refers to appropriate government agencies suspected incidents of fraudulent activity with regard to health services provided or arranged by LIBERTY.

DEFINITIONS:

Fraud – includes, but is not limited to, "knowingly making or causing to be made any false or fraudulent claim for payment of a health care benefit." Fraud also includes fraud or misrepresentation by a subscriber or enrollee with respect to coverage of individuals and fraud or deception in the use of the services or facilities of LIBERTY or knowingly permitting such fraud or deception by another.

Waste – means the thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources. Waste also includes incurring unnecessary costs because of inefficient or ineffective practices, systems, or controls. Waste does not normally lead to an allegation of “fraud”, but it could.

Abuse – means the excessive, or improper use of something, or the use of something in a manner contrary to the natural or legal rules for its use; the intentional destruction, diversion, manipulation, misapplication, maltreatment, or misuse of resources; or extravagant or excessive use so as to abuse one’s position or authority. “Abuse” does not necessarily lead to an allegation of “fraud”, but it could.

PROCESS/PROCEDURE:

LIBERTY’s intention is to reduce costs to the Plan, participating providers, subscribers, and enrollees through a timely detection, investigation, and resolution of incidents involving suspected fraudulent activity.

The indicators that will be looked at, include, but are not limited to the following:

- Double Billing
- Eligibility
- Patterns of Care Below Expected or Established Standards
- False Dates of Service
- Inappropriate Misleading Coding (leading to an incorrect benefit)
- Excessive Treatment Patterns

LIBERTY establishes a minimum dollar threshold per case for full investigation based on agreement with client groups. In general LIBERTY will pursue full case investigation for identified suspicious activity of \$1000 or more for most product lines. In some cases, the use of small-claims court case value limits may prevail, and in other cases, larger thresholds may be used to determine if a case should undergo further legal action. In all cases, initial investigation to identify the issues will be conducted. Upon identification of the full scope of the problem, the various thresholds described above may be considered before proceeding with costly fraud processing steps or steps that could lead to costly litigation. Thresholds described herein are reviewed periodically as needed or as identified by corporate legal counsel, regulatory requirement or senior management. Claims processing cases of value greater than the established thresholds require additional review. \

LIBERTY reports health plan potential fraud, waste and abuse cases to Health Plan partners quarterly, or more often when required by the Health Plan partner.

I. Detection of Provider Potential Fraud, Waste and Abuse

In the course of reviewing claims including retrospective review of paid claims received from participating providers, LIBERTY's claims reviewers and Dental Consultants shall review those

claims to identify "red flag events", which include facts, circumstances, or events which, singly or in combination, support an inference that fraud has been committed by a participating provider with respect to one or more claims. Within two business days after identifying a red flag event, the claims reviewer and/or Dental Consultant who identified the event, shall provide a written report of his or her findings to the QM Manager to assign the case to a QM Analyst.

The QM Analyst shall conduct or direct any additional investigation they deem necessary or appropriate with regard to the red flag event. The investigation may include, without limitation, a review, including on a sampling basis, of claims submitted by the participating provider and the associated dental records. The QM Analyst will present findings to the Dental Director or a designated senior management officer acting in the capacity of a security officer.

If the corporate security officer determines that any such fraudulent activity has occurred with regard to a claim that has not been paid, LIBERTY shall deny the portion of the claim related to the incident involving suspected fraudulent activity, which may include the entire claim.

As the Chairman of the PFWA Committee, the Dental Director or acting security officer, in conjunction with corporate legal counsel, shall determine whether LIBERTY shall take any additional action, which may include, without limitation:

- The provision of information, for purposes of education, to the participating provider describing the incident involving suspected fraudulent activity;
- Seek restitution from the participating provider for any amounts paid by LIBERTY in connection with the incident involving suspected fraudulent activity;
- Termination of the provider agreement then in effect between LIBERTY and the participating provider; and/or
- Referral of the matter to an appropriate government agency, including, without limitation, the State Board of Dental Examiners and Centers for Medicare and Medicaid Services.

II. Member Potential Fraud, Waste and Abuse

In the course of reviewing claims received from subscribers, LIBERTY's claims reviewers and Dental Consultants shall review claims to identify red flag events, which include facts, circumstances, or events which, singly or in combination, support an inference that fraud has been committed by a subscriber with respect to one or more claims. Within two business days after identifying a red flag event, the claims reviewer or Dental Consultant who identified the event shall provide a written report of his or her findings to the Dental Director or senior management security officer.

LIBERTY will report the incident once confirmed to all Health Plan's within 24 hours to providers and members. Thereafter coordinating with all health plans to develop and implement a corrective action plan.

The Dental Director or security officer, in conjunction with corporate legal counsel, shall conduct or direct the conduct of any additional investigation deemed necessary or appropriate with regard to the red flag event.

The investigation may include, without limitation, a review, including on a sampling basis, of claims submitted by, or in the benefit of, the subscriber and any associated dental records. To the extent the acting security officer does not possess the expertise necessary to investigate the matter, he shall obtain the services of LIBERTY employees—including, as appropriate, the services of the LIBERTY's Dental Consultants or Directors or members of LIBERTY's Quality Management and Utilization Management Committees.

If the investigation determines that any such fraudulent activity has occurred with regard to a claim that has not yet been paid, LIBERTY shall deny the portion of the claim related to the incident involving suspected fraudulent activity, which may include the entire claim. As the Chairman of the Committee, the Chief Security Officer, in consultation with the Committee, shall determine whether LIBERTY shall take any additional action, which may include, without limitation:

- The provision of information, for purposes of education, to the subscriber describing the incident involving suspected fraudulent activity;
- Seek restitution from the subscriber/enrollee for any amounts paid by LIBERTY in connection with the incident involving suspected fraudulent activity;
- Termination of the group health or individual care service LIBERTY contract then in effect between the LIBERTY and the subscriber/enrollee; and/or
- Referral of the matter to an appropriate government agency.

III. Reporting Potential Fraud, Waste and Abuse

LIBERTY Dental Plan's employees must go through FWA training program to learn how to identify FWA. If an employee suspects a potential fraud they can report it to their direct supervisor or to the compliance department at any time. LIBERTY also maintains a confidential fraud hot line for staff that may be reluctant to take the matter to their direct supervisor or to the QM or Compliance Department. LIBERTY employees may also contact the Office of the inspector General fraud hotline at (202) 418-3300. Confidentiality is maintained as much as possible unless disclosure is necessary by law. The Whistleblower Act protects employees who report suspected violations of state or federal law, including reports of criminal fraud. An employer may not retaliate in any way for reporting a violation or suspected violation of the law, as long as the employee does not know the information being reported is false.

LIBERTY's Potential Fraud, Waste and Abuse Committee meets quarterly or more frequently on an ad-hoc basis to review PFWA cases. LIBERTY will report and track any deviation or suspected deviation from a program requirement or regulation identified through the PFWA Committee that impacts one or more members promptly to our health plan partners or appropriate government agency.

IV. Fraud, Waste and Abuse Education

1. Training for Employees Generally

1. The Dental Director or designee acting as Security Officer shall work with Human Resources to ensure that each individual employed by LIBERTY receives information summarizing the portions of this Anti-Fraud Plan. The Security Officer may provide this information to employees of LIBERTY in any employee manual or similar document produced by LIBERTY.

2. Training for Claims Reviewers

2. The Security Officer shall work with the appropriate department managers to develop a program to train all claims processors and Dental Consultants with regard to the activities described in this Anti-Fraud Plan. This training program may include materials developed by LIBERTY and/or materials developed by other parties, including, without limitation, materials developed by non-profit or for-profit organizations with expertise concerning health care anti-fraud activities. Claims processors may complete this training program through the review of written materials, audio tapes, and/or video tapes provided by LIBERTY.

The training program for claims processors shall provide specific training with regard to:

- The identification of red flag events, including, without limitation, the identification of patterns and trends indicating possible fraud with regard to the health care service contracts offered by LIBERTY and other criteria indicating possible fraud; and
- Effective analysis of claims information, including, without limitation, a thorough review of the claims file, identification of all individuals who might provide relevant information with regard to the accuracy or validity of the claim, the preservation of relevant documents, and the preparation of a concise summary of the conclusions of the analysis.

Each claims processor employed by LIBERTY shall complete this training program.

This training program is LIBERTY's main effort at fraud deterrence.

3. Anti-Fraud Education for Participating Providers

The Dental Director or designated Security Officer, in conjunction with the Vice President of Professional Services, shall develop an informational program to familiarize LIBERTY's participating providers with regard to the identification of incidents involving suspected fraudulent activities. This educational program may include materials developed by LIBERTY and/or materials developed by other parties, including, without limitation, materials developed by non-profit or for-profit organizations with expertise concerning health care anti-fraud activities.

These educational materials may include or may consist of some of the same materials developed and used in connection with the training program for claims processors or other LIBERTY staff. Participating providers may receive written materials, audio-visual guides, provided by

LIBERTY, or may otherwise demonstrate an appropriate understanding of LIBERTY's anti-fraud program through the completion of a questionnaire or survey form developed by LIBERTY for this purpose.

V. Work Flow

PFWA Internal Procedures Flowchart is available as an Attachment.

REFERENCE:

STATE	REGULATOR	CITE