

Hometown Health Plan

Title: Identification and Prevention of Fraud, Waste and Abuse		Current Version Effective Date:	02/28/13
Category: Fraud, Waste and Abuse Detection, Prevention and Correction Program Policies and Procedures (FWA)		Next Review Date:	02/28/14
Number:	Hometown.FWA.002	Creation Date:	02/26/07
Author:	Jamie Winter, Hometown Health Compliance Manager	Revision History:	
		10/25/12	__/__/__
		__/__/__	__/__/__

Scope:

Unless otherwise limited, the Hometown Health Plan’s Compliance Policies and Procedures apply to the following individuals and entities:

- 1) All Employees as defined in Hometown Medicare Program Participation (MPP).001;
- 2) All members of the Board of Directors, officers and managers of Hometown Health Plan, Inc., all entities of the Hometown Health Plan and Compliance Committee members;
- 3) Related Entities, as defined in Hometown.MPP.001, in the same manner and to the same extent as they apply to Hometown Health Plan; and
- 4) Delegated Subcontractors and Network Providers, as defined in Hometown.MPP.001, in the manner and to the extent set forth in Hometown Health Plan’s policies and procedures.

Purpose:

The purpose of Hometown.FWA.002 is to describe Hometown Health Plan’s specific processes for identification and prevention of fraud, waste and abuse.

Policy:

It is Hometown Health Plan’s policy to implement specific policies and procedures which are designed to identify and prevent Part D and MA program fraud, waste and abuse.

Procedures:

- 1) General Policies and Procedures.
 - A) The Part D and MA Fraud, Waste and Abuse Detection, Prevention and Correction Program of Hometown Health Plan (“FWA Program”) incorporates the Part D and MA Compliance Program policies and procedures governing Monitoring Compliance and Audits (see Hometown.CGP.007). Accordingly, this policy must be read in conjunction with Hometown.CGP.007.

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2) Specific Policies and Procedures.

A) Work Plan

- 1) The Compliance Manager, in conjunction with the Renown Health Corporate Compliance Officer and Hometown Health’s Compliance Committee, will develop a work plan for the identification and prevention of fraud, waste and abuse (“FWA Work Plan”) that addresses risk areas related to the Part D and MA programs due to potential fraud, waste and abuse. The “FWA Work Plan” will be an element of the monitoring and auditing work plan under CGP.006.
- 2) Risk areas may be identified by any number of channels including, but not limited to, the Part D Prescription Drug Manual (see, e.g., Chapter 9), the Medicare Managed Care Manual (see, e.g., Chapter 21) and the Annual Department of Health and Human Services’ Office of Inspector General (“OIG”) Work Plan, and shall be updated from time to time as appropriate.
- 3) Plan Sponsor Risk Areas. Plan sponsor risk areas for review in connection with development of the FWA Work Plan may include those areas that are also subject to monitoring and auditing for compliance with, among other things, contract and CMS program requirements pursuant to Hometown.CGP-007. In this context, however, the focus will be fraud, waste and abuse prevention, detection and correction. These risk areas may include, but are not limited to, the following:
 - a) Inaccuracies in Eligibility or Coordination of Benefits Information;
 - b) Violation of Marketing Guidelines (e.g., improper inducement, unlicensed agents);
 - c) Incorrect Calculation of True Out-of-Pocket Cost;
 - d) Inappropriate Formulary Decisions based on costs, rather than clinical efficacy and appropriateness;

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- e) Inappropriate reporting of Enrollment/Disenrollment data;
 - f) Incorrect handling of Grievances and Appeals;
 - g) Delinquent reimbursements in the context of retroactive low income subsidy determinations;
 - h) Catastrophic Coverage Manipulation;
 - i) Part D Coverage Issues, including inappropriate determinations of Medically Necessity, Excluded Drugs, Non-Compendium Payments, and Multiple Billing (e.g., Part B and Part D);
 - j) Improper Bid Submission;
 - k) Inaccurate Data Submission, particularly with respect to encounter or prescription drug event data;
 - l) Inaccurate Implementation of Enrollee Cost-Sharing (e.g., duplicative or excessive premiums of co-pays);
 - m) Bait and Switch Pricing (where a beneficiary is led to believe that a drug will cost one price, but at point of sale is charged a higher amount);
 - n) Failure to Disclose or Misrepresentation of Rebates, Discounts or Price; and
 - o) Provision of False Information to CMS or Beneficiaries.
- 4) MA-PD Pharmacy Benefits Manager Risk Areas. MA-PD Pharmacy Benefits Manager risk areas for review in connection with development of the FWA Work Plan may include, but are not limited to, the following:
- a) Prescription Drug Switching, Splitting or Shorting;

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- b) Unlawful Remuneration;
- c) Inappropriate Formulary Decisions; and
- d) Failure to Offer Negotiated Prices.

5) Pharmacy Risk Areas. Pharmacy risk areas for review in connection with development of the FWA Work Plan may include, but are not limited to, the following:

- a) Inappropriate Billing Practices;
- b) Prescription Drug Shorting;
- c) Bait and Switch Pricing;
- d) Prescription Forging or Altering;
- e) Dispensing Expired or Adulterated Prescription Drugs;
- f) Prescription Refill Errors;
- g) Illegal Remuneration Schemes;
- h) Manipulation of True Out-of-Pocket Costs; and
- i) Failure to Offer Negotiated Prices.

6) Prescriber Risk Areas. Prescriber risk areas for review in connection with development of the FWA Work Plan may include, but are not limited to, the following:

- a) Illegal Remuneration Schemes;

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b) Prescription Drug Switching; and

c) Script Mills.

7) Medicare Beneficiary Risk Areas. Medicare beneficiary risk areas for review in connection with development of the FWA Work Plan may include, but are not limited to, the following:

- a) Beneficiary Identity Theft to Obtain Prescriptions
- b) Manipulation of True Out-of-Pocket Costs;
- c) Prescription Forging or Altering;
- d) Prescription Stockpiling; and
- e) Physician Shopping.

B) Training and Education

- 1) **Employees.** The Compliance Manager or his or her designee will provide, in his or her discretion, general training, specialized training, education and reeducation to Hometown Health Plan employees who have specific responsibilities in Medicare Part D and MA business areas regarding fraud, waste and abuse risk areas related to their job function. Training shall be provided within 90 days of initial hire and at a minimum of annually thereafter.
- 2) **Delegated Subcontractors and Network Providers.**
 - a) The Compliance Manager or his or her designee shall engage in periodic communication with Hometown Health Plan's Delegated Subcontractors and Network Providers regarding issues and risk areas related to fraud, waste and abuse.

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- c) To the extent that Hometown Health Plan's Delegated Subcontractors and Network Contractors perform their own audits related to the MA and Part D programs, Hometown Health Plan shall seek written assurances from the Delegated Subcontractors or Network Providers that they have an adequate audit and review work plan in place. The Compliance Manager or his or her designee should regularly receive these audits and seek assurances that corrective actions have been taken when appropriate.

5) Reports

- a) To aid in the identification and prevention of fraud, waste and abuse, Hometown Health Plan shall generate or receive and review reports which may include, but are not limited to, the following:
- (a) Payment Reports;
 - (b) Drug Utilization Reports;
 - (c) Prescribing Patterns by Physician Reports; and
 - (d) Geographic Zip Reports

6) Other

- a) Hometown Health Plan shall consider the use of data analysis to aid in the identification and prevention of fraud, waste and abuse. In conjunction with the review of internally generated data, specific data may be analyzed from Delegated Subcontractors and Network Providers, as applicable and appropriate, and reviewed regularly to identify potential patterns or practices of fraud, waste and abuse

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Questions Related to Hometown.FWA.002 Policy and Procedure.

Any questions concerning Hometown.FWA.002 or questions that are not specifically addressed by this policy should be directed to the Hometown Health Plan Compliance Manager or the Renown Health Corporate Compliance Officer.

Audit and Documentation.

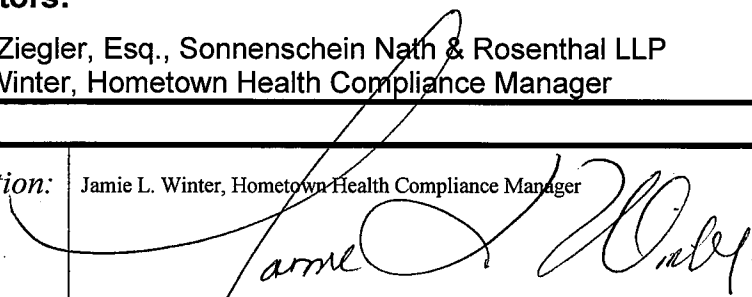
Hometown Health Plan shall audit and document compliance with Hometown.FWA.002. Such audit shall be conducted pursuant to the procedures set forth in Renown.CCD.315 and Hometown.CGP.007. Relevant documentation shall be maintained in Hometown Health's Part D and MA Compliance Program files, consistent with Hometown Health Plan's document retention policies.

References:

Medicare Prescription Drug Benefit program regulations, 42 Code of Federal Regulations Part 423;
Medicare Advantage program regulations, 42 Code of Federal Regulations Parts 422;
Medicare Prescription Drug Benefit Manual, Ch. 9 (Compliance Program Guidelines); and
Medicare Managed Care Manual, Ch. 21 (Compliance Program Guidelines)

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