Part B Insider (Multispecialty) Coding Alert

Compliance: Do You Know How to Avoid These 5 Types of Medicaid Fraud?

Medicaid auditors could be reviewing your files—make sure you aren't violating any of these common issues.

If you're worrying about whether your state Medicaid provider might head your way for an audit, keep in mind that you only have to stress if you're doing something you shouldn't be—and one way to find out if that's the case is to check in on the most common types of Medicaid fraud.

Fortunately, the Arkansas Medicaid Fraud Control Unit recently published five examples of common Medicaid fraud types. Read on for the list, as well as examples to help you steer clear of these issues.

1. Billing for Services Not Rendered: This type of fraud occurs when "a provider bills for treatments or procedures which are not actually performed," the Arkansas Medicaid Fraud Control Unit says on its website.

An example would be physicians who automatically report 99211 when a patient comes to pick up a prescription and only the receptionist sees the patient. Since you didn't actually render an E/M visit, 99211 would not be warranted.

2. Billing for Unnecessary Services: In this situation, the "provider misrepresents or falsifies a patient's diagnosis and symptoms on recipient records and billing invoices to obtain payment for unnecessary services."

For example, last year a Michigan physician was accused of falsely diagnosing skin cancer so he could perform surgeries and bill the government for the surgical procedures.

3. Kickbacks: This occurs when a Medicaid provider "offers or pays kickbacks to another Medicaid provider's employees for referring a Medicaid recipient to the provider as a patient or a client," the Arkansas Fraud Unit notes. "Kickbacks could be in the form of cash, trips or merchandise."

For instance, if you tell a local urgent care center that for every five patients they send to your office, you'll give them a $100 gift card to the local mall, that would constitute a kickback request.

4. Double Billing: In this situation, the "provider bills both Medicaid and the recipient (or private insurance) for the same service, or two providers bill for the same service," Arkansas Medicaid says.

An example of this would be if you send a patient to an outside lab for a urinalysis, but then your practice and the lab both bill 81000 for the service. Only the lab should bill the charge if you didn't perform the urinalysis.

5. Other Unauthorized Billing: This can happen when "a provider charges a Medicaid recipient for a service which is covered by and should be billed to Medicaid, or charges a recipient the difference between the provider's usual fee and what Medicaid pays," the Arkansas Medicaid payer says on its website.

Suppose a patient presents to your office for an allergy shot. Your state Medicaid provider has denied similar claims in the past, so you bill the patient for the shot. In actuality, this claim should be sent to Medicaid rather than being billed to the patient.

To read more from the Arkansas Medicaid Fraud Control Unit's website, visit http://arkansasag.gov/programs/arkansas-lawyer/medicaid-fraud.

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