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Who else investigates healthcare fraud?

◆ City, County, State and Federal Law Enforcement Agencies

◆ Justice Department through the Assistant U.S. Attorney General’s Office

◆ Federal Bureau of Investigation (FBI)

◆ Postal Inspectors

◆ Department of Health and Human Services (HHS)

◆ Food and Drug Administration (FDA)

◆ Offices of Inspectors General (OIG)

What are Blue Cross and Blue Shield Plans doing about healthcare fraud?

Every consumer is affected by healthcare fraud. There are many kinds of fraud and these acts add up to billions of dollars in:

◆ lost healthcare dollars,

◆ higher taxes to support federal healthcare programs, and

◆ higher private health insurance premiums for consumers.

To aggressively fight healthcare fraud in all its forms, Blue Cross and Blue Shield Plans are using public/private partnerships and computer and software technology. In 2002, anti-fraud efforts by Blue Cross and Blue Shield Plans saved and recovered $157 million. Each Plan’s Special Investigative Unit (SIU) returned an average of $2,905,280 to their Plans in recovered costs.

The Blue Plans pursued more than 20,000 cases of healthcare fraud last year, with 606 cases referred to law enforcement agencies. Of the referrals, 206 resulted in criminal convictions. In addition, nine civil actions were filed and 475 cases were referred to regulatory agencies. Plans received a total of 66,117 hotline calls out of which 6,153 resulted in fraud cases. Law enforcement agencies referred 941 cases and Plan internal staff referred 13,232 cases. An additional 3,886 came from external referrals. Blue Cross and Blue Shield Plans actively pursue every avenue in tracking down healthcare fraud.
The Rising Cost of Healthcare Fraud

What are examples of common types of fraud?

The overwhelming majority of individuals who work in the healthcare system are honest. However — in the hands of fraud perpetrators, telemarketing techniques — false or altered billing codes, forged documents and computer technology are powerful tools used to illegitimately collect billions of dollars every year from unsuspecting consumers and their health insurers. Some schemes include:

- **Phantom billing** — Adding otherwise legitimate claim charges for services never performed or fabricating claims.
- **Upcoding** — Charging for a more expensive service.
- **Billing insurance companies for different services but actually part of a single procedure.**
- **Masquerading as healthcare professionals** — Delivering healthcare services without proper licenses.
- **Identity theft** — Using another person’s health insurance card or identification to obtain healthcare or other services or to impersonate that individual.
- **Unbundling** — Charging separately for procedures that are actually part of a single procedure.

Putting a human face on healthcare fraud.

When talking about healthcare fraud it would be easy to focus exclusively on the billions of dollars it costs the public every year. The numbers are staggering. But healthcare fraud involves more than money. Many types of schemes deliberately and dangerously jeopardize patients’ well-being and physical safety.

**BCBSA and the 41 Blue Cross and Blue Shield Plans encourage healthcare consumers to join in the battle against healthcare fraud.** The following profiles of various fraud schemes are intended to illustrate how fraud occurs. They are based on actual cases, but the names are fictitious.

**Physician charges insurance company for non-existent nursing home visits** — Dr. Stanley owned and directed several nursing homes. His many fraudulent activities included billing patients for office visits, sometimes as many as 100 patients a day, while he was on vacation. He also ordered tests and expensive equipment that patients did not need or want. Sometimes he delayed claims submissions for up to a year for monthly follow-up visits. By the time the Explanation of Benefits (EOBs) arrived family members could no longer remember if Dr. Stanley had seen their relatives or not.

**Firm bills insurance for electronic muscle therapy treatments** — Without any prior medical training, Ken embarked on a new enterprise, advertising his 24 locations, resembling tanning salons, in local newspapers and magazines. The ads claimed that each treatment was like “working out” and was equivalent to 1,000 sit-ups and leg lifts. The ads also claimed the treatments were covered by health insurance. After investigating Ken’s enterprise, it was discovered that employees of his establishments were disguising themselves as “providers” and submitting dozens of claims for “physical therapy,” averaging from $1,000-$2,000 each.

**Medical receptionist illegally obtains prescription drugs** — Meredith was a valued employee at a large medical center. She regularly arrived at work on time and had a kind disposition — though fellow co-workers noticed occasional mood swings. One day, Meredith’s large tote bag fell off the counter, spilling the contents in front of the staff. The tote bag contained dozens of prescription bottles bearing the names of patients and co-workers. An investigation revealed Meredith had been using her position to obtain health insurance participation to call in bogus prescriptions to dozens of area pharmacies. Meredith was charged with obtaining controlled drugs by impersonation.

**Doctor bills exhaust benefits of all family members** — When John began experiencing anxiety attacks, he sought treatment with Dr. Jackson, a local psychiatrist. When John’s treatments exhausted his benefit provision for the year, Dr. Jackson illegally and unethically started billing under John’s wife’s name. Once her benefits were exhausted, Dr. Jackson began submitting bills for John’s six-year-old daughter. Ultimately, John’s wife and daughter lost their benefits for the year without ever receiving care. It is also possible that both may be denied future job opportunities because the fictitious psychiatric treatments may become part of their health records. Eventually, the law caught up with Dr. Jackson and he was convicted on 136 counts and forced to repay the insurance company millions of dollars.

**Pharmacist fabricates prescriptions and insurance claims** — Joanne, a successful pharmacist, and her husband were found guilty of several counts of insurance fraud. The couple devised an illegal scheme to defraud $26,000 from insurance companies. Healthcare plan auditors took notice after a large number of prescriptions were written in a short amount of time by two physicians and filled at Joanne’s pharmacy. At first, the auditors suspected the two physicians may have been engaged in fraudulent activity, but later learned they were not responsible for the bogus prescriptions. During the course of the investigation, it was learned that checks were being deposited into accounts belonging to Joanne and her husband.

**Unbundling** — Charging separately for procedures that are actually part of a single procedure.

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Discrimination is Against the Law

Premera Blue Cross complies with applicable Federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. Premera does not exclude people or treat them differently because of race, color, national origin, age, disability or sex.

Premera:
- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
  - Qualified sign language interpreters
  - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
  - Qualified interpreters
  - Information written in other languages

If you need these services, contact the Civil Rights Coordinator.

If you believe that Premera has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Civil Rights Coordinator — Complaints and Appeals
PO Box 91102, Seattle, WA 98111
Toll free 855-332-4535, Fax 425-918-5592, TTY 800-842-5357
Email AppealsDepartmentInquiries@Premera.com

You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, the Civil Rights Coordinator is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at https://ocrportal.hhs.gov/ocr/portal/lobby.jsf, or by mail or phone at:
U.S. Department of Health and Human Services,

Getting Help in Other Languages

This Notice has Important Information. This notice may have important information about your application or coverage through Premera Blue Cross. There may be key dates in this notice. You may need to take action by certain deadlines to keep your health coverage or help with costs. You have the right to get this information and help in your language at no cost. Call 800-722-1471 (TTY: 800-842-5357).

አማርኛ (Amharic):

豸ወን እውክልት ከወደተለያዩ እርዳታ ከወደተለያዩ እርዳታ ከወደተለያዩ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳታ ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወደተለያየ እርዳል ከወድን እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክልት እውክል cryptocurrent (Arabic):

تحوي هذا الإشعار معلومات هامة. قد يحتوي هذا الإشعار معلومات مهمة بخصوص طلبك أو التغطية التي تريد الحصول عليها من خلال Premera Blue Cross. قد تكون هناك تجاوزات أو تأخيرات في تواصل مع سرعة معينة للحفاظ على تنفيذ التكاليف الصحية أو المساعدة في دفع التكاليف. يحق لك الحصول على هذه المعلومات والمساعدة بتفعيل أي تكلفة.

اتصل بـ (800-722-1471) (TTY: 800-842-5357).

中文 (Chinese):

本通知有重要的訊息。本通知可能有關於您透過 Premera Blue Cross 提交的申請或保險的重要訊息。本通知內可能有重要日期。您可能需要在截止日期之前採取行動，以保留您的健康保險或者費用補貼。您有權利免費以您的母語得到本訊息和幫助。請撥電話 800-722-1471 (TTY: 800-842-5357)。
Oromoo (Cushite):
Beeksisni kun odeeffannoo barbaachisaa qaba.

Français (French):

Kreyòl ayisyen (Creole):

Premera Blue Cross

Este aviso contém informações importantes. Este aviso poderá conter informações importantes a respeito de sua aplicação ou cobertura por meio do Premera Blue Cross. Poderão existir datas importantes neste aviso. Talvez seja necessário que você tome providências dentro de determinados prazos para manter sua cobertura de saúde ou ajuda de custos. Você tem o direito de obter esta informação e ajuda em seu idioma e sem custos. Ligue para 800-722-1471 (TTY: 800-842-5357) ou 800-5357.

Korean:

이에 비해 비용을 절감하기 위해 필요한 마감일까지 조치를 취해야 할 필요가 있을 수 있습니다. 귀하의 언어로 비용 부담없이 얻을 수 있는 권리가 있습니다. 800-722-1471 (TTY: 800-842-5357)로 전화하십시오.

Punjabi:

ਪੰਜਾਬੀ (Punjabi):

ਧੀਮ ਰੇਟਿਂਗ ਹਿੰਡ ਪ੍ਰਾਮੁੱਖਣਤਾ ਦੀ ਰੇਟਿਂਗ ਪ੍ਰਸਤੁਤ ਵਿਚ ਪ੍ਰਾਮੁੱਖਣਤਾ ਹੈ। ਪ੍ਰਾਮੁੱਖਣਤਾ ਦੀ ਕੁਰਾਨ ਦੇ ਵਿੱਚ Premera Blue Cross ਦੇ ਵਿੱਚ ਹੁੰਦੀ ਹੁੰਦੀ ਹੇਠਾਂ ਘਾਟੇ ਭਰੋਸੇ ਹੋਣ ਵਾਲੀ ਮਾਤਰਾ। ਗ੍ਰੋਹਨੀ ਤੇ ਮਾਤਰਾ ਦੇ ਹਿੰਡ ਦੇ ਤੌਰ ਤੇ ਉਤੱਦੂਸ਼ਣ ਵਿੱਚ ਉੱਦ੍ਰਥ ਦੇ ਪਹਿਲਾਂ ਤੰਨ ਪ੍ਰਾਮੁੱਖਣਤਾ ਦੇ ਵਿੱਚ ਇਤਿਹਾਸਕ ਵਿਚ ਦੇ ਲੇਖ ਤੇ ਮਾਤਰਾ ਤੇ। ਉੱਦੂਸ਼ਣ ਦੇ ਦਿੱਲ ਤੋਂ ਕਾਫੀ ਪ੍ਰਾਮੁੱਖਣਤਾ ਹੋ ਨਹੀਂ ਪ੍ਰਾਮੁੱਖਣਤਾ ਦਿੱਲ ਨਹੀਂ ਵਦਦਾ ਮਾਤਰਾ ਹੋ ਨਹੀਂ 800-722-1471 (TTY: 800-842-5357).

Polish:

Polskie (Polish):


Português (Portuguese):

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Este Aviso contiene información importante. Es posible que este aviso contenga información importante acerca de su solicitud o cobertura a través de Premera Blue Cross. Es posible que haya fechas clave en este aviso. Es posible que deba tomar alguna medida antes de determinadas fechas para mantener su cobertura médica o ayuda con los costos. Usted tiene derecho a recibir esta información y ayuda en su idioma sin costo alguno. Llame al 800-722-1471 (TTY: 800-842-5357).

Tiếng Việt (Vietnamese):