



What Is Your Forensic Healthcare Auditing IQ?

*D. Larry Crumbley**

There are a narrow approach and broad approach to forensic accounting, where the narrow camp believes that forensic accounting merely involves searching for fraud. Bruce Dubinsky, a partner in Klausner, Dubinsky & Associates, stresses their broad approach by emphasizing that there are plenty of accountants getting involved who should not be involved in the niche. “The only limit to our size is finding competent professionals.” He explained that “just being an accountant is no longer enough to do this work—the person has to understand the legal system, and what the law says. How to interrogate and interview people are musts. Tracking leads and obtaining legally usable intelligence is also crucial. Many accountants think it is simply fraud investigating and it’s not. It really is much more than dealing with numbers. It’s no longer just basic fraud work.”

This quiz is the first of several IQ quizzes to determine how equipped you are for work in the healthcare industry.

1. Which President signed into law the Medicare and Medicaid programs?

- a. Ronald Reagan
- b. Lyndon Johnson
- c. Richard Nixon
- d. John. F. Kennedy
- e. Franklin D. Roosevelt

2. Medicare can negotiate discounts with drug manufacturers to reduce the government’s cost of Medicare prescriptions, which reduces the costs for U.S. taxpayers. **T F**

3. Many healthcare insurance companies change their policies each year, and premiums can increase from year to year. **T F**

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4. The Department of Justice Medicare Strike Force is often called the _____ Task Force which refers to the Health Care Fraud Prevention and Enforcement Action Team.
5. The DOJ indicates in 2015 that for every one dollar spent on fighting fraud, there is a return of \$____ to the government.
6. The Center for Medicare and Medicaid Services estimate that National Healthcare spending for 2019 will be:
- a. \$79 billion
 - b. \$896 billion
 - c. \$1.9 trillion
 - d. \$4.5 trillion
 - e. Some other amount
7. Billing for unnecessary services, examinations, and tests is sometimes referred to as ____?
8. Which is not considered to be a health care fraud certification?
- a. ABGOV.
 - b. LHA.
 - c. DME.
 - d. AHFI.
 - e. All of above are fraud health care certifications.
9. Which law prohibits providers from making Medicare and Medicaid patient referrals to places in which they or family members have a financial interest.
- a. Drug Enforcement Law.
 - b. Stark Law.
 - c. False Claims Act.
 - d. Food and Drug Administration Act.
 - e. Some other law.
10. _____ is billing for two or more services separately that should be included in a separate package coding.

LICENSED HEALTHCARE AUDITOR™



Answers to the first Forensic Healthcare Auditing IQ Quiz.

1. B. What may be surprising is that Lyndon B. Johnson signed into law the Medicare and Medicaid programs on July 30, 1965. He promised that they would “improve a wide range of health and medical services for Americans of all ages” by providing low-cost hospitalization and medical insurance for the nation’s elderly.
2. False. Although this suggestion is a popular solution to healthcare costs and a majority of the public favors this approach, this solution is not currently available. A number of stakeholders, including the pharmaceutical industry, is the major obstacle to such a proposal. But although President Donald Trump favors this suggestion, an article by Michael Hiltzik, entitled “Allowing Medicare to Negotiate Drug Prices is a Popular Solution to Healthcare Costs. But It May Not Work,” *Los Angeles Times*, January 11, 2017, indicates that this solution may not be as effective as many suggest.
3. True. Charles E. Piper in his excellent book *Healthcare Fraud: Investigation Guidebook*, published by CRC Press, indicates that “many healthcare insurance companies drastically change their policies each year.” What is covered and the dollar amount covered can vary greatly from year-to-year. “Also, sometimes coverage for specific drugs may drastically change. Premiums can also increase from year to year.”
4. HEAT. The DOJ’s Medicare Strike Force may be called the “HEAT TASK FORCE:” Health Care Fraud Prevention and Enforcement Action Team. Created in 2009 by the Health and Human Services and the DOJ, HEAT has played a critical role in the fight against fraud, waste, and abuse. In a release on February 26, 2016, the DOJ said the government recovered \$2.4 billion because of healthcare judgments, settlements, and additional administrative impositions in healthcare fraud cases and proceedings.
5. \$6.10 for each dollar invested in 2015. \$8.00 in 2013. \$7.70 in 2014. Compare these figures with private companies. The General Counsel Roundtable says that \$1 of compliance spending saves organizations, on the average, \$5.21 in heightened avoidance of legal liabilities, harm to the organizations reputation, and lost productivity.

Source: Jonny Frank, “Fraud Risk Assessments,” *Internal Auditor*, April 2004, p. 47.

6. D. The Centers for Medicare and Medicaid Services estimates the cost to be \$4.5 trillion in 2019. The International Institute of Analytics in November 2015, said that as much as 25% of payments result in fraud, waste, errors, and abuse. Thus, at \$4.5 trillion times 25%, the fraud, waste, errors, and abuse will be \$1.125 trillion.
7. Overutilization. Overutilization is essentially unnecessary healthcare provided with a higher volume or cost than is necessary. In 2012, the Institute of Medicine estimated that \$750 billion were wasted each year, with \$210 billion being unnecessary care (or 28%). Aside from the cost, overutilization can cause harm to patients. Harm can include secondary cancer, risk of general anesthesia, discomfort, lost time, anxiety, direct and indirect financial harm, psychological distress, social stigma, etc. See Alice Goodman,

“Overutilization a Key Target in Efforts to Control Health-Care Cost,” *The ASC-Post*, November 15, 2014.

8. c. DME refers to Durable Medical Equipment.
 - a. ABGOV is provided by the American Board of Forensic Accounting and has a Healthcare Specialty option.
 - b. LHA is the Licensed Healthcare Auditor provided by the American Board of Forensic Accounting.
 - d. AHFL is the Accredited Health Care Fraud Investigator provide by the NHCAA.
9. b. The Stark Law (Section 1877) prohibits providers from making Medicare and Medicaid patient referrals for certain Designated Health Services (DHS) to places in which they or family members have a financial interest. CMS. gov. lists these DHSs:

- Clinical laboratory services.
- Physical therapy services.
- Occupational therapy services.
- Outpatient speech-language pathology service.
- Radiology and certain other imaging services.
- Radiation therapy services and supplies.
- Durable medical equipment and supplies.
- Parenteral and enteral nutrients, equipment, and supplies.
- Prosthetics, orthotics, and prosthetic devices and supplies.
- Home health services.
- Outpatient prescription drugs.
- Inpatient and outpatient hospital services.

10. Unbundling. Sometimes called exploding or fragmentation, this scheme involves billing for two or more medical services separately rather than using the single package coding because the combined reimbursement is normally higher. Charles Piper compares unbundling to going to a fast food restaurant and ordering a value meal, but you are charged for each item separately (e.g., hamburger, soda, and French fries). For example, the correct CPI comprehensive code for upper gastrointestinal endoscopy with biopsy of the stomach is CPI code 43239. Separately the provider would bill CPI 43235 and CPI 43600.

The Anti- Kickback Statute has similar prohibitions.