FRAUD AND ABUSE

General

Federal regulations require that the Louisiana Medicaid Program establish criteria that are consistent with principles recognized as affording due process of law for identifying situations where there may be fraud or abuse, for arranging prompt referral to authorities, and for developing methods of investigation or review that ascertain the facts without infringing on the legal rights of the individuals involved.

Fraud

Fraud, in all aspects, is a matter of law rather than of ethics or abuse of privilege. The definition of fraud that governs between citizens and government agencies is found in Louisiana R.S. 14:67 and Louisiana R.S. 14:70.01. Legal action may be mandated under Section 1909 of the Social Security Act as amended by Public Law 95-142 (HR-3). Prosecution for fraud and the imposition of a penalty, if the individual is found guilty, are prescribed by law and are the responsibility of the law enforcement officials and the courts. All such legal action is subject to due process of law and to the protection of the rights of the individual under the law.

Provider Fraud

Cases involving one or more of the following situations constitute sufficient grounds for a provider fraud referral:

- Billing for services that are not rendered to, or used for, Medicaid recipients;
- Claiming costs for non-covered or non-chargeable services disguised as covered items;
- Materially misrepresenting dates and descriptions of services rendered, the identity of the individual who rendered the services, or of the recipient of the services;
- Submitting duplicate billing to the Medicaid Program or to the recipient, which appears to be a deliberate attempt to obtain additional reimbursement;
- Arrangements by providers with employees, independent contractors, suppliers, and others, and various devices such as commissions and fee splitting, which appear to be designed primarily to obtain or conceal illegal payments or additional reimbursement from Medicaid; and

- Coaching applicant/recipient on how to respond to assessment questions in order to appear eligible for services.

Recipient Fraud

Providers should refer to the *Medicaid Services Manual*, Chapter 1 General Information and Administration for a description of recipient fraud.