

## Fraud Prevention and Reporting Policy

Policy Number: A990901029  
Effective Date: 9/1/1999  
Sponsoring Department: SIU/Compliance  
Impacted Department(s): All (All Independent Health, and its affiliated organizations (Nova, Reliance Rx, PBD))

**Type of Policy:**  Internal  External

**Data Classification:**  Confidential  Restricted  Public

### Applies to (Line of Business):

- Corporate (All)
- State Products, if yes which plan(s):  MediSource;  MediSource Connect;  Child Health Plus;  Essential Plan
- Medicare, if yes, which plan(s):  MAPD;  PDP;  ISNP;  CSNP
- Commercial, if yes, which type:  Large Group;  Small Group;  Individual
- Self-Funded Services (*Refer to specific Summary Plan Descriptions (SPDs) to determine any pre-authorization or pre-certification requirements and coverage limitations. In the event of any conflict between this policy and the SPD of a Self-Funded Plan, the SPD shall supersede the policy.*)

### Excluded Products within the Selected Lines of Business (LOB)

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N/A

**Applicable to Vendors?** Yes  No

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### Purpose and Applicability:

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Independent Health is committed to protecting the integrity of the company and its services by reducing the exposure to **fraud**, **waste** and **abuse** through proactive identification, investigation and deterrence of inappropriate activities. Independent Health's Special Investigations Unit assists in providing these protections and will operate collectively at an enterprise-wide level, using advanced technologies and

preventative measures while maintaining a “customer centric focus” to protect subscriber/members/beneficiaries, as well as providers, vendors, and company employees from harm (financial or otherwise) caused by **fraud, waste or abuse**. We will seek restitution of company funds that have been improperly paid, contributing to our organizational mission of increasing affordable access to quality healthcare. The SIU also serves as the channel through which reports of **fraud, waste or abuse** can be directed for further investigation and reporting out to government agencies or law enforcement as indicated.

The purpose of this policy is to document Independent Health’s commitment to detecting, correcting, preventing, and reporting potentially illegal or fraudulent practices as we attested to in our **Fraud Prevention Plan**, which is filed with the New York State Department of Financial Services. We will work to detect, correct and prevent **fraud, waste and abuse** on all levels as outlined in this policy. We will work diligently to promote ethical and legal business practices. This policy will enforce corporate compliance with laws, rules and regulations in the pursuit of eliminating **fraud, waste and abuse** related to both internal and external customers.

RESPONSIBLE DEPARTMENTS: Special Investigations Unit, Compliance, All

## Policy:

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Independent Health’s comprehensive **fraud and abuse** program provides our employees and contractors and their employees with detailed, educational information about several of the **fraud and abuse** laws we are governed by and required by law to follow. These laws and rules create a framework for Federal and State Governments to detect and prevent **fraud and abuse** in the health care system and to protect the individuals and entities who provide information to the Government about such **fraud and abuse**.

Raising awareness of the causes and the processes for identification and reporting of FWA activity is critical in the **fraud** prevention arena. **Fraud** awareness training both corporate-wide and job-specific is required for all Independent Health associates at hire and annually. Awareness training bolsters the associates’ understanding of the occurrence of FWA activities and clarifies the process to identify and report such activity to SIU.

We set out to eliminate **fraud, waste and abuse** and non-compliance with laws, rules and regulations related to internal and external customers through the:

- Detection of issues of concern;
- Investigation of issues of concern to determine their scope;
- Correction of issues detected and investigated;
- Prevention of repetition of detected issues; and
- Reporting of issues deemed to be repetitive and knowingly conducted.

Examples of potential issues of concern related to internal customers:

- Theft;

- Misrepresenting covered benefits to potential members;
- Overlooking or not reporting any issues of concern or potential fraud that arise during your work; or
- Conducting job responsibilities with disregard for corporate compliance with laws, rules, or regulations.
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Examples of potential issues of concern related to external customers:

- Improper billing (upcoding, billing for services not provided, etc.);
- Unlawful business practices;
- Provider or member non-compliance with laws, rules, or regulations; or
- Misuse of enrollment identification card and benefits.

We facilitate best practices and standards of quality care among internal and external customers through the:

- Monitoring of utilization;
- Evaluation of whether services as billed are supported in the medical record documentation;
- Monitoring of the Credentialing and Recredentialing processes; and
- Monitoring of under-utilization of services, withholding referrals, providing inappropriate or non-Medically necessary services, etc.

## Reporting Process

Independent Health's policy, Mechanisms for Reporting Noncompliance and Corrective Action Policy (A990801007) explains how to report any suspected case of potential FWA, as well as addresses our obligations to drive corrective action when FWA is detected. The following summarizes how reports can be made to the SIU team and how the SIU team works to investigate them:

1. Potential Fraud, Waste or Abuse is identified and reported:
  - Employees, providers, and contractors may report suspected fraud, waste, and abuse directly to their immediate supervisors/Independent Health contact or by directly contacting Independent Health's SIU staff, Corporate Compliance staff, or by sending an email to [SIU@independenthealth.com](mailto:SIU@independenthealth.com). Independent Health also has contracted with a third-party vendor (Report It) to facilitate our anonymous and confidential compliance, ethics, and FWA helpline, which allows workforce members to report issues of actual or suspected noncompliance and ethical concerns confidentially and anonymously. The confidential and anonymous helpline may be accessed 24/7/365 by calling 1-877-229-4916 or via web access at <http://reportit.net> using username: IHA and password: redshirt. Members also have access to the FWA phone number on the back of their member insurance card. In addition, Independent Health maintains an FWA hotline, which is managed by SIU, who takes steps to ensure confidentiality of reported issues. The SIU hotline number is 1-800-665-1182. Associates can also direct dial any member of the SIU team, or our general reporting number (716) 631-3001 ext 5229. All reports will be promptly investigated and logged by the SIU.

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2. Compliance officer and SIU investigate allegations:
- Only the minimum necessary information regarding the issue is shared as necessary among those involved in the investigation;
  - Due to the confidential nature of these reports, the employee bringing the issue to our attention may not be made aware of specific details of the final resolution of the matter;
  - Based on the results of the investigation, any employee found guilty of illegal activity, fraud or abuse or breaching Independent Health policy, is subject to the appropriate disciplinary action as per our Compliance, Privacy and Security Event Scoring Policy (A20140303001), as well as our employee handbook, up to and including termination of employment; and the information may be released to the appropriate law enforcement officials for further legal action.
3. External reporting of confirmed **fraud, waste or abuse**:
- In some cases, Independent Health is required to report to an outside agency after the prompt response period, such as in the case of FEHB members. Otherwise, all referrals received in SIU will be reviewed and investigated by an SIU associate to determine whether Medicaid, Medicare (Part C or Part D), FEHB, Exchange, or Commercial programs are impacted by fraud, waste or abuse. When such a determination is made affirming that fraud, waste or abuse has been detected, the SIU Investigator will send a case referral to the respective reporting agency with jurisdiction over the impacted line of business. The SIU Investigator will send a referral to the appropriate agencies in accordance with all required timeframes. (see also: SIU Referrals to Government Agencies SOP)

Independent Health has a “zero-tolerance” for fraud, waste and abuse and is committed to combating fraud. Anti-fraud efforts are part of our on-going campaign to educate our subscribers, providers and the community. Our Non-Retaliation and Non-Intimidation Whistleblower Protection Policy (A030414073) seeks to provide assurances to anyone reporting suspected FWA given that Independent Health prohibits retaliatory or intimidating acts against Independent Health workforce members who fulfill their obligation in good faith to report known or suspected incidents of wrongdoing or noncompliance or participating in an organizational investigation pertaining to alleged violations of laws, rules, regulations or policies or procedures.

**Pre-Authorization Required?** Yes  No

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## Definitions

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- **Fraud** means any type of intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself or some other person in a managed care setting, including any act that constitutes fraud under applicable federal or state law, committed by a **provider**, member or enrollee or other person(s).
- **Waste** means **provider** practices that involve useless consumption or expenditures; use without adequate return; or acts or instances of neglect instead of use.
- **Abuse** means **provider** practices that are inconsistent with sound fiscal, business or medical practice and result in an unnecessary cost to the state or federal government or Independent Health, IPA/WNY and/or an affiliated company in reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care in a managed care setting. It also includes member or enrollee practices that result in unnecessary cost to the state or federal government or Independent Health, IPA/WNY or an affiliated company.
- **Provider** means any physician, hospital, pharmacy, ancillary facility, licensed social worker, registered physician assistant or any individual licensed and authorized to practice in the state of New York for the delivery of medical, psychological or substance abuse services.

## References

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### Related Policies, Processes and Other Documents

Fraud Prevention Plan

Anti-Fraud Program Statement

Corporate Compliance Plan

Independent Health Code of Conduct and Ethics

Compliance, Privacy and Security Event Scoring Policy (A20140303001)

Fraud Laws and Deficit Reduction Act Notice Policy (M111103166)

Mechanisms for Reporting Noncompliance and Corrective Action Policy (A990801007)

Designation and Responsibilities of the Compliance Officer Policy (A070101337)

Compliance Program Vendor Oversight Policy (A20140128003)

Compliance Program Internal Monitoring and Auditing Policy (A090819335)

Non-retaliation and Non-intimidation Whistleblower Protection Policy (A030414073)

SIU Referrals to Government Agencies SOP

### Non-Regulatory references

*Public*

N/A

### Regulatory References

- Medicare Managed Care Manual, Chapter 9/21
- Reports of Suspected Insurance Frauds to Insurance Frauds Bureau, Regulation 95 (11 NYCRR §86.6)
- OPM – CL-2014-29
- 10 NYCRR 98-1.21
- 18 NYCRR §360
- NYS Insurance Law §409(c)

### Version Control

Sponsored By:

Name sponsor: David Shute

Title of sponsor: VP – Claims and Recovery Operations

Signature of sponsor:



Revision Date	Owner	Notes
11/4/2008	Click here to enter text.	Reviewed not revised
11/24/2009	Click here to enter text.	Reviewed not revised
12/21/2010	Click here to enter text.	Reviewed not revised
8/23/2013	Click here to enter text.	Reviewed not revised
11/15/2004	Click here to enter text.	Click here to enter text.
4/11/2006	Click here to enter text.	Click here to enter text.
8/1/2006	Click here to enter text.	Click here to enter text.
8/7/2007	Click here to enter text.	Click here to enter text.
7/3/2012	Click here to enter text.	Click here to enter text.
5/2/2014	D. Odrzywolski	Reviewed not revised
8/20/2015	S. Caulfield	Reviewed with minor revisions
7/13/2016	S. Caulfield	Reviewed with minor revisions
4/15/2017	S. Caulfield	Revised – added references
6/1/2018	S. Caulfield	Reviewed with minor revisions
5/20/2019	S. Caulfield	Reviewed not revised.
5/1/2020	S. Caulfield	Reviewed with minor revision
03/10/2021	K. Jurkas	Reviewed-combined policy (A990801007) and (A20131011088)

1/12/2022	K. Jurkas	Reviewed not revised.
11/3/2022	K. Jurkas	Updated Potential Fraud, Waste or Abuse is identified and reported section
4/28/2023	K. Jurkas	Updated Policy to Public per discussion with Sheila Caulfield and Compliance.