ADMINISTRATIVE POLICY STATEMENT
INDIANA MEDICAID

Policy Name		Policy Number	Date Effective
Fraud, Waste and Abuse Recovery Process		AD-0819	12/01/2020-02/28/2023
Policy Type			
Medical	**ADMINISTRATIVE**	Pharmacy	Reimbursement

Administrative Policy Statements prepared by CSMG Co. and its affiliates (including CareSource) are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CSMG Co. and its affiliates (including CareSource) do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

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A. Subject

Fraud, Waste and Abuse Recovery Process

B. Background

The CareSource Program Integrity Department (PI) Fraud Waste and Abuse (FWA) recovery process applies only to FWA recoveries resulting from PI FWA investigations and audits. The designation of a FWA case is determined by PI.

C. Definitions

- **Fraud, Waste and Abuse Recovery Letter –** Letter sent by CareSource Program Integrity Department to a Provider/Health Partner when there is suspected fraud, waste or abuse.

D. Policy

I. FWA Recovery Letter From CareSource PI

A. When PI identifies payments subject to recovery as the result of a FWA investigation and/or audit, a FWA Recovery Letter will be sent to the Provider/Health Partner. The FWA Recovery Letter may include (among other information) the following:

1. Amount owed to CareSource
2. Time period and specific claims to which FWA recovery applies
3. Audits and/or investigation results or findings
4. Basis for the action being taken
5. Steps and/or Action items to address any required corrective actions;
6. Options for payment owed to CareSource
7. Due date for payment in full, typically, thirty (30) calendar days unless timeframe required contractually; and
8. Rights for re-evaluation (if any).

II. Three (3) Options for a Response

A. Upon receipt of the FWA Recovery Letter, there are 3 options for a response:

1. ***Option #1**: Make immediate payment in full within 30 calendar days of the date of the FWA Recovery Letter. To submit payment in full, follow the instructions in the FWA Recovery Letter.
2. ***Option #2**: Request a payment plan if unable to pay within 30 calendar days of the date of the FWA Recovery Letter. To request a payment plan, reply to the FWA Recovery Letter with your payment proposal. You may request installment payments or the offset of future claims. Payment plans will be granted at the sole discretion of CareSource. Any recoveries that cannot be paid in full within 30 calendar days, may be subject to interest at the prime rate (Wall Street Journal's Market Data) +2% until fully repaid.

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3. ***Option #3:** Request a re-evaluation within 30 calendar days of the date on the FWA Recovery Letter if you disagree with the findings. To do this, you must submit a written request with the reason(s) for the dispute and include any pertinent information that may not have been previously considered by CareSource.

**Timeframes are as indicated unless otherwise required contractually or by law for a different timeframe.*

B. Your written request, reasons for the dispute, and any supporting documentation must be sent to the address shown in the FWA Recovery Letter. Once received, CareSource PII will review the request for re-evaluation information and may (as applicable) consult with medical directors, independent clinical consultants, and any other resources to determine the outcome of the written request for re-evaluation. If needed, PII may contact you to arrange an informal telephone call or an in-person conference to review the request for re-evaluation.

C. If an informal telephone call or an in-person meeting is scheduled, all appropriate and necessary administrative, operational, and clinical staff of the Provider/Health Partner must be available. Failure for these individuals to attend will not extend the timeframes in the re-evaluation process.

D. CareSource will respond with a Final Determination Letter within sixty (60) calendar days (unless otherwise required contractually or by law for a different timeframe) of receiving the timely written request for re-evaluation and supporting documentation. CareSource's written response to the request for re-evaluation constitutes a Final Determination. Any final amount due to CareSource will be identified in the Final Determination Letter. The amount due must be paid within 30 calendar days of receipt of the Final Determination Letter.

III. Failure to Respond to FWA Recovery Letter

A. In the event the Provider/Health Partner fails to respond to an FWA Recovery Letter using one of the above options, CareSource may take steps including but not limited to recouping and/or recovering the amount owed from:

1. Current payments due (which may include claims that are pending and/or on hold for investigation), or
2. Future Claims submitted

B. CareSource reserves the right to take legal action to the extent permitted by law to collect any and all outstanding recovery amounts owed.

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IV. Final Determination

A. If there is no request for a re-evaluation of the findings within 30 calendar days of the FWA Recovery Letter (unless otherwise required by contract or law), then the FWA Recovery Letter becomes the Final Determination.

B. If the timely submitted request for re-evaluation is received and reviewed by CareSource and a Final Determination Letter has been sent, any overpayment still owed is due within 30 calendar days of the Final Determination Letter.

C. If payment in full is not received within 30 calendar days, CareSource will begin recoupment and take the actions identified in section III above.

NOTE: Please note that retaining legal counsel (or obtaining new legal counsel) during the FWA Recovery Process does not change the re-evaluation process and does not reset the timeframes noted above. You must comply with the timeframes outlined in the FWA Recovery Process. Extensions of time are NOT permitted unless expressly provided by CareSource in writing. Timeframes are as indicated unless otherwise required contractually or by law for a different timeframe.

E. Conditions of Coverage

F. Related Policies/Rules

CareSource Special Investigation Unit Fraud Waste and Abuse Recovery Process

G. Review/Revision History

	DATES	ACTION
Date Issued	06/24/2020	
Date Revised		
Date Effective	12/01/2020	New Policy
Date Archived	02/28/2023	This Policy is no longer active and has been archived. Please note that there could be other Policies that may have some of the same rules incorporated and CareSource reserves the right to follow CMS/State/NCCI guidelines without a formal documented Policy.

H. References

The Administrative Policy Statement detailed above has received due consideration as defined in the Administrative Policy Statement Policy and is approved.

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