

Organizational responsibility and current health care issues essay sample

[Health & Medicine](#), [Healthcare](#)



Fraud, Abuse, and Waste in the US Healthcare System is a major problem. As a result of this the government is spending a greater percentage of the GDP on healthcare for Americans. The primary reason for this increase in the overall cost for healthcare is related to the increase in fraud, waste, and abuse. It is estimated that the United States spends between 15 and 25 billion dollars annually because of fraud, waste, and abuse. We will examine the [pic]types of fraud, waste, abuse, the[pic] involvement [pic]of the[pic] federal government in prevention, the roles of healthcare organizations and employees, and the protection for whistle-blowers and consequences for those involved in fraud, waste, and abuse.

Fraud, waste and abuse can be described as the intentional deception to get an unauthorized or unwarranted benefit. A pharmacist that charges both the patient and the insurance company for a prescription is classified as fraud. A physician that prescribes unneeded tests for a patient to generate additional revenue is an example of waste. A pharmacist that receives a “ brand necessary” prescription and enters the brand in the computer, charges the insurance company for the brand, but gives the patient a cheaper generic is an example of abuse Feldman (2001). Many deceptive actions classify into more than one of these categories and for this reason they have been merged into one category as fraud, waste, and abuse by the government.

In recent years, the government has allocated more federal funds to combat the increase in fraud, waste and abuse. Federal and state laws have been enacted to block the spread of abuse and increase the penalizations associated with such violations. The government has also increased the

number of audits performed on providers , and as well as the number of auditors in has to perform these checks. The government has also increased the number of regulators and government personnel that oversee these activities that have larger percentages of fraud, waste and abuse (Bell, 2010). Funding has also been provided for anti-fraud programs to educate all levels of the general population.

CMS, which is the government agency that oversees Medicare, published a 70 page documenting on fraud waste and abuse [pic]requirements and recommendations in 2006. In 2009 Medicare formed the Healthcare Fraud Prevention and Enforcement Action Team (HEAT), which is a special active[pic] taskforce that focuses on fraud in Medicare programs. Collectively the Federal and State authorities that enforce fraud, waste and abuse include [pic]the Office of the Inspector General of US Department of Health and Human Services, US Department of Justice,[pic] CMS, [pic]and the States'[pic] attorney general. Combined these government agencies work together to reduced fraud, waste and abuse in the US healthcare system.

Examining what these government agencies look for with be discussed next. False claims are the largest of all government healthcare fraud (Schilling, 2008). These could be claims submitted for patients that were never seen, claims submitted for procedures never performed, or claims submitted for procedures that were not necessary. It a chain effect when one person is seen abusing the system, then others follow, and now we have a bigger issue where physicians, hospitals, and medical suppliers are abusing the program; patients have joined in (Schilling, 2008).

The intent to defraud the government is not necessary if the actions are the results of reckless disregard of gross negligence. Even if intentions are good, the US government will prosecute false claims that are submitted.

Prescriptions that have been forged, altered, or purchased also fall under the category of fraud, waste and abuse. Practices such as, “shorting” or partially filling prescriptions but charging the full price with no arrangement for delivery of the remainder of the prescription as another example of fraud, waste, and abuse. Double billing both the patient and the insurance company for prescriptions is another example. Improperly keeping an overpayment from a government or private payer also classifies as fraud, waste and abuse. Heavy fines, exclusions from participation, and criminal prosecution can be the consequences for those who violate the laws surrounding fraud, waste and abuse for healthcare. Over 1500 entities were excluded from participating in federal healthcare programs last year because of their involvement with fraud, waste and abuse.

The government has also instituted to protect those who report fraud, waste and abuse from repercussions from other institutions or individuals. The False Claims Act protects company whistleblowers by protecting their current job, forbidding the alleged company from acts of demotion, suspension, or harassment to the employee (Amirault, 2009). Whistleblowers often face all of these fears and yet proceed anyway because ultimately it is the right thing to do. As stated in our text, “Whistle blowing is [pic]something that can be done only by a (past or present) member of an organization. Whistle blowing involves exposing activities that are harmful, immoral, or

contrary to the public interest or to the legitimate goals and purposes of the organization (Amirault, 2009). Potential remedies against retaliation include job reinstatement with double back pay and other special damages.

Law suits called “ Qui tam” where a company employee or private citizen sues the company on behalf of the Federal Government for fraud, waste, and abuse violations. The employee or private citizen may be rewarded with as much as 30 percent of the amount that is owed to the government based on the circumstances of the case. Several states have their own false claims acts. The deficit reduction act encourages states to create their own act by giving the states a larger share of recoveries from Medicaid providers. Federal kickback laws have been enacted to discourage and penalize those that knowingly and willfully offer, pay, solicit, or receive any profit from the referral of patients or prescriptions covered by healthcare programs. Violations are subject to imprisonment, high fines, and exclusions from government benefits, costly civil penalties, and possible prosecution under state laws.

Lastly we will examine fraud, waste, and abuse with the education and awareness of those that work in the medical fields. Companies have proactively established positions, departments, and company-wide education to reduce the amount of fraud, waste and abuse in their company because the penalties for violations are so high. In other words, it is cheaper for companies to change the culture of their company and create awareness, than to face the consequences, legal fees, and fines associated with violation.

Companies have developed “ codes of ethics” to give their employees the tools to determine right from wrong. Programs explain the duties of an employee and the consequences for non-compliance. The programs even include volunteers, board members and directors, as well as all the providers’ regular employees. Many organizations have created a compliance officer, or depending [pic]on the size of the company, and entire compliance department. The compliance officer enforces the code of ethics, reports compliance incidents to agencies, develops[pic] compliance training, develops and maintains a compliance reporting system, follows up on all internal reports of fraud and abuse, performs internal operational audits, and performs billing audits (Bell, 2010). Many companies have seen a dramatic decrease in fraud, waste and abuse since implementing a compliance strategy inside their organization, which pays for its existence by decreasing legal fees, fines, and penalties the company would have otherwise incurred.

The procedures that should be considered for defective controls, includes independent checks and a system for documents and records. Balancing act must constantly be maintained between the administrative cost associated with the prosecution and oversight of fraud, waste and abuse and amount fraud, waste and abuse that exists. After all spending 30 billion dollars to control and eliminate fraud, waste and abuse when there is only 15-25 billion to be saved just does not make sense. Some people will always be dishonest, but making it harder and the penalties greater, may decrease the frequency of fraud, waste and abuse in the healthcare industry.

References

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