

South Carolina
DEPARTMENT OF HEALTH AND HUMAN SERVICES
Post Office Box 8206
Columbia, South Carolina 29202-8206
www.scdhhs.gov

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MEDICAID BULLETIN

TO: Providers Indicated

SUBJECT: Information Regarding Reducing Medicaid Waste, Fraud and Abuse

The South Carolina Department of Health and Human Services (SCDHHS) strives to ensure the integrity of the Medicaid Program and seeks to reduce waste, fraud and abuse in the use of Medicaid funds through the activities carried out by the Division of Program Integrity and the Division of Audits. The purposes of program oversight are to safeguard against unnecessary or inappropriate use of Medicaid services, identify excessive or inaccurate payments to providers, identify beneficiaries who may be misusing or overusing Medicaid services and ensure compliance with applicable laws, regulations, and policies.

SCDHHS aggressively pursues Medicaid fraud and abuse on the part of beneficiaries and healthcare providers. "Fraud" is defined as intentional deception made by a person with the knowledge that the deception could result in an unauthorized benefit. Beneficiary fraud can mean hiding income or otherwise falsifying an application for benefits. Provider fraud can mean filing a claim for reimbursement when no service has been performed, adding on unnecessary tests or services and upcoding or otherwise inflating the claim for services that were performed. Anyone who suspects fraud or abuse by a beneficiary or a provider is encouraged to call the South Carolina Medicaid Fraud Hotline at: **1-888-364-3224** or send an email through the fraud email address at fraudres@scdhhs.gov. These calls can be anonymous. The agency opens a preliminary investigation on all suspected fraud and abuse complaints. Upon suspicion of fraud, the case is referred to the State Attorney General's Office.

Privacy laws prohibit SCDHHS from disclosing the results of a beneficiary fraud or abuse investigation to anyone but law enforcement or agency officials. Sometimes allegations against beneficiaries are ultimately proved to be unfounded since beneficiaries may not appear indigent, can own a car or house, but still be eligible for Medicaid benefits. Eligibility for benefits is based first on categorical requirements, then non-financial and financial rules according to established state and federal guidelines. The SC Medicaid Policy and Procedures Manual is available on our website under Inside DHHS, Resource Library, Manuals.

SCDHHS has instituted a pharmacy "lock-in" program for beneficiaries who show patterns of prescription drug seeking, drug abuse, or lack of coordinated care. Prescription drug abusers often attempt to utilize multiple pharmacies and doctors to mask their habit. The program ensures that the individual must get all prescriptions from one pharmacy. The program is showing significant cost savings without restricting access to needed medicine.

Your continued support of the South Carolina Medicaid Program is appreciated.

/S/
Emma Forkner
Director

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