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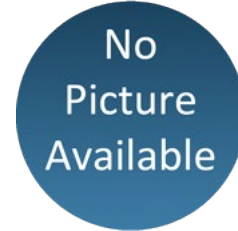
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Success in 2021

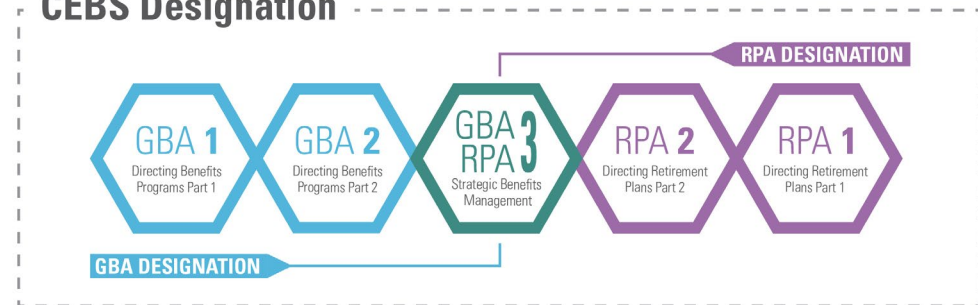
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[Certified Employee Benefit Specialist \(ifebp.org\)](http://ifebp.org)

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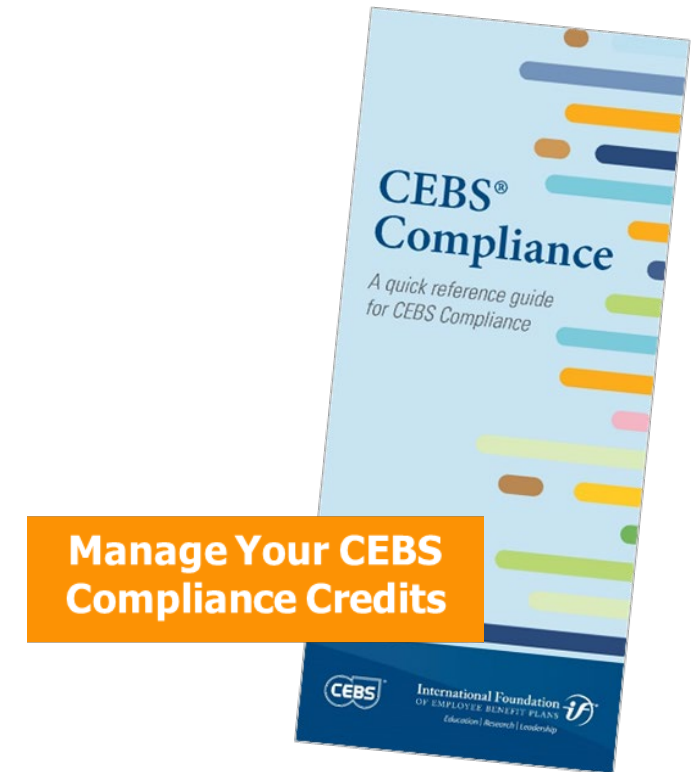
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Be recognized for the professional education you complete
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30 credits over two calendar years to be compliant

Most credits are self-reported www.ifebp.org/myprofile

Follow the prompts on the orange box to report your credits



Reminders

- Next meeting, February 11 – The Basics of Medicare
- Become a member! It's easy to join! www.ifebp.org/membership
- Let us hear from you – what topics and speakers would you be interested in? Email Kathy.Kwasniak@imacorp.com



Thank You to our Sponsors



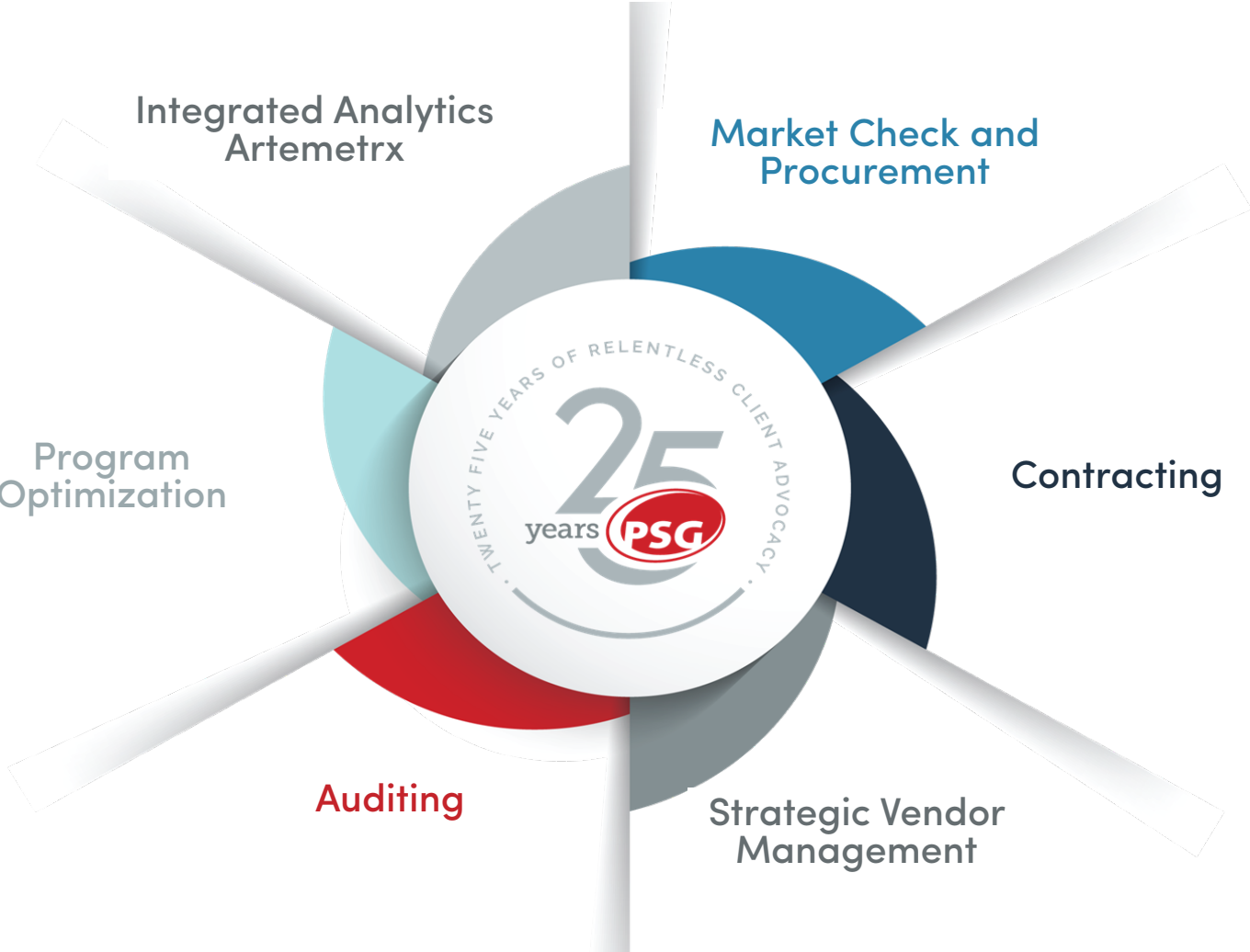


Recent Trends in Medication Fraud, Waste, and Abuse and How Employers Can Address Within the Plan

January 14, 2021



THE LEADING **DRUG MANAGEMENT** INTELLIGENCE FIRM



185+	\$4.8 billion
Active Clients	2019 Client Savings
24 11 million	500+
2019 Procurements Lives	2019 Audits
1.9 billion	98%+
Artemetrx Healthcare Claims	Client Retention



Rebekah Gregg

SVP, Product and Marketing
rgregg@psgconsults.com



Jennifer Warren

Manager, Product
jwarren@psgconsults.com



PROACTIVELY MANAGING MEDICATION FRAUD, WASTE, AND ABUSE

TAKE CONTROL OVER THE PHARMACY PROGRAM

Ensure you have ability within PBM agreement to adjust medication coverage and pharmacy networks

RELY ON DATA AND CLINICAL EXPERTISE

Navigating complexities requires trustworthy data analytics and clinical expertise

DON'T BE AFRAID TO TAKE ACTION

Ensure decisions are informed, but don't hesitate to protect your plan and members

FRAUD, WASTE, AND ABUSE

CONTINUUM IN HEALTHCARE

• • •

Waste

• • •

Overutilization of items or services that result in unnecessary costs to the healthcare system. A misuse of resources

“inefficiencies”

Abuse

• • •

Incorrect payment without intentional misrepresentation of facts to obtain payment

“bending the rules”

Fraud

• • •

Intentional misrepresentation of facts to obtain payments of items or services for which one is not entitled

“intentional deception”

WASTE: NON-ESSENTIAL MEDICATIONS

- 01 Over-the-counter equivalents
- 02 “Me-too” drugs
- 03 High-cost low value drugs
- 04 High-cost generics

WASTE BASED ON DOSING OF MEDICATION

Me-too drugs

Muscle relaxer, chlorzoxazone, is available in 250 and 500 mg doses

- 250 mg costs \$2,200+ for 30 days' supply
- 500 mg costs \$39 for 30 days' supply
- Selectively block more expensive formulation

\$2,160
IN SAVINGS
PER SCRIPT



REAL STORIES. REAL APPLICATIONS.

High-cost, low-value drugs

Azesco is a dietary supplement containing vitamins and minerals

- Cost is almost \$3k for a 30-day supply
- OTC alternatives are readily available
- Work with PBM to apply limits or eliminate coverage

\$2,955
IN SAVINGS
PER SCRIPT



GUIDELINES FOR EVALUATING NON-ESSENTIAL MEDICATIONS

Clinical Rules

Rules Summary > Clinical Rules: All

Non-Essential Drug Rules

Top 50
Export Data

Rule/Drug(s)	OTC Alt	Utilizers	Claims	Plan Cost	Estimated Savings
TROKENDI XR	N	351	2,455	\$1,562,549	\$1,527,607
RESTASIS	Y	584	2,130	\$1,025,956	\$1,025,956
TRINTELLIX	N	551	2,952	\$1,042,639	\$1,022,799
PROTON PUMP INHIBITORS	Y	18,640	101,795	\$973,822	\$973,822
VIMPAT	N	127	1,118	\$869,643	\$855,770
ALL SINGLE SOURCE COUGH AND COLD MEDICATIONS	Y	41,629	57,565	\$811,909	\$811,909
BYSTOLIC, NADOLOL	N	1,091	6,938	\$854,740	\$790,813
VASCEPA	N	810	3,969	\$1,062,278	\$726,437
LIVALO	N	297	2,105	\$466,539	\$461,484
NASAL STEROIDS	Y	5,136	10,124	\$432,889	\$432,889
VIIBRYD	N	313	1,785	\$432,082	\$419,548

1 How much can the plan save?

2 How many members are impacted?

3 What is the alternative treatment?

EXCESSIVE QUANTITY. WRONG DOCTOR SPECIALTY.

Monitor steep plan cost increases

Uncovering why plan cost increased 874% in one year.

- Gentamicin 0.3% eye drops are used to treat or prevent eye infections
- Members were receiving 60 bottles per month from physicians with non-related specialties (e.g., podiatrist)
- Cost was \$500 per claim
- Quantity level limits were enacted, and prescribers were investigated



FWA Network Analysis

Pharmacies or prescribers identified as filling/prescribing prescriptions for highly suspect medications with a gross cost of >=\$200. Review claims and determine need for network review, education, or other outreach.



Pharmacy

Prescriber

DEMO CLIENT | Current: 02/01/2018 - 08/31/2018 | Cost: Plan | Suspect % of Claims: >= 75% | Claim Gross Cost: >= \$200

Pharmacy	Average Monthly Utilizers	Suspect Claims	Total Claims	Suspect % of Total Claims	Suspect Plan Cost
80280 - Provider 80280	20	124	151	82.1%	\$41,981
2419 - Provider 2419	2	15	15	100.0%	\$29,822
80837 - Provider 80837	15	43	45	95.6%	\$24,449
78686 - Provider 78686	2	19	19	100.0%	\$23,025
20876 - Provider 20876	1	12	12	100.0%	\$19,924
1042 - Provider 1042	1	7	7	100.0%	\$15,577
23003 - Provider 23003	1	3	3	100.0%	\$14,174
74855 - Provider 74855	1	6	6	100.0%	\$13,953
2608 - Provider 2608	1	8	10	80.0%	\$13,847
2342 - Provider 2342	1	6	8	75.0%	\$12,046
80726 - Provider 80726	1	13	17	76.5%	\$10,541
2881 - Provider 2881	1	3	3	100.0%	\$8,479
2075 - Provider 2075	1	4	4	100.0%	\$7,123

1

What % of scripts filled at pharmacy are suspicious?

2

What is the cost of those suspicious scripts?

3

What is the member impact of the situation?

HIGH-COST SPECIALTY DRUG MANAGEMENT

When one suboptimal drug can cost hundreds of thousands.

A single patient received a medication costing \$70,000/month when an alternative medicine for \$1,000/month was available.

- Identified outlier individual high-cost scripts
- Patient had a rare disease
- Traditional drug for \$1,000/mth taken 4x per day; Procysbi taken 2x per day for \$70,000/mth

\$828k+
TOTAL
SAVINGS



TELEMARKETING PAIN CREAM SCHEME



Fraudulent telemarketers offer “free” back brace or other pain-reducing treatment to get patient address and insurance info

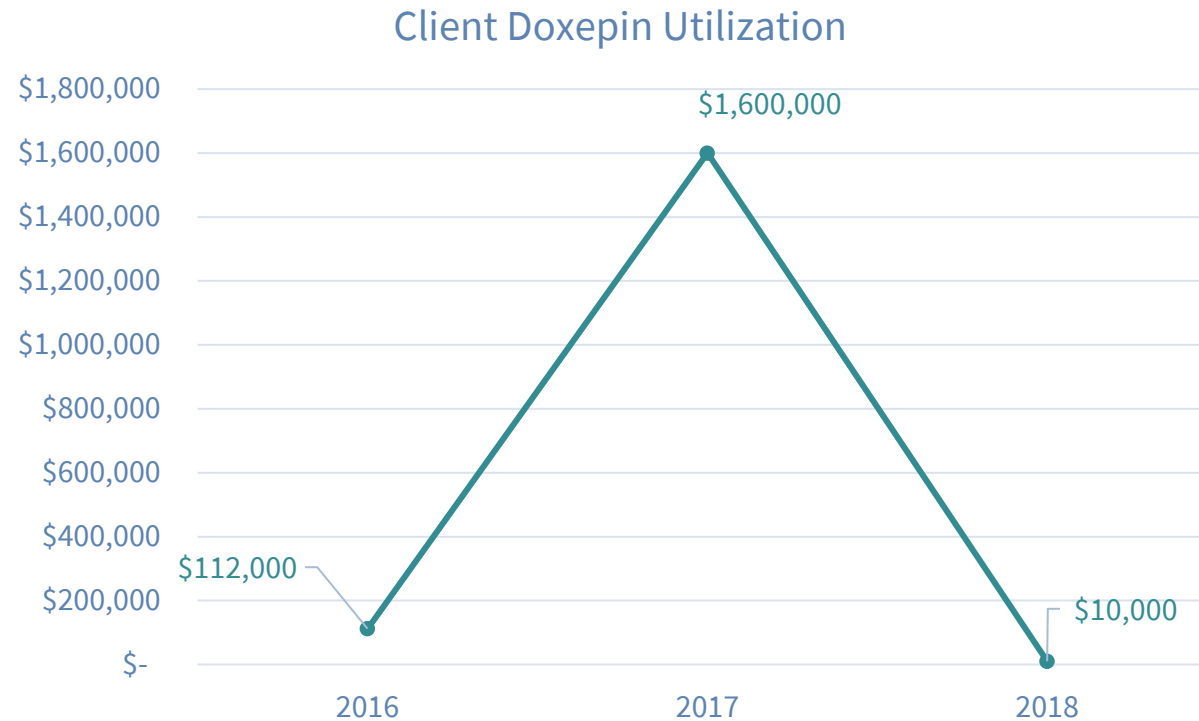


Fraudulent doctor prescribes unwanted medication, with monthly refill



Fraudulent pharmacy fills monthly prescriptions and mails them to patient home

TELEMARKETING PAIN CREAM SCHEME



- 1 Ask your PBM to review utilization of suspect medications
- 2 Request analysis of patients prescribed medications from doctors in other states
- 3 Restrict quantity that can be filled and/or duration of the script

COVID: UNCERTAINTY CREATING OPPORTUNITY FOR FRAUD

Scammers preying on public COVID fears to find ways to:

- Obtain money through dishonest means
- Obtain healthcare benefit information to bill for unnecessary services with promises of free products or preventative care
- Obtain personal information to access accounts or records
- Secretly install malicious software on computers to get personal information

SAMPLE COVID SCHEMES

False advertising

YiLo * COVID-19 cautions cont.
Coronav Immunization
Stabilizer Tincture Now
Available WSL, 10% OFF Online
Leafly Orders Continues
<http://yeatic.com/reMGBDR>



Scam Phone Calls

- Free test kits
- Health insurance pitches
- Mortgage scams

Healthcare Fraud: Harmony Medical Care Antibody Testing

- On May 25, 2020, the U.S. Attorney's Office for the District of Arizona filed a criminal complaint charging Jeremiah Faber, the CEO of Harmony Medical Care, with health care fraud and money laundering.
- The complaint alleges that Faber used Harmony's Facebook and other social media sources to offer free COVID-19 testing in order to induce patients to also complete Harmony's Comprehensive Whole-Body Assessment which was then billed through insurance.

COVID SCHEMES: WHAT YOU CAN DO ABOUT IT

Educate employees on what support the plan has made available to treat COVID

Collaborate with PBM and health plan to monitor new, suspicious billing activity



Ignore offers for vaccinations and home test kits.

Scammers are selling products to treat or prevent COVID-19 without proof that they work.



Hang up on robocalls.

Scammers use illegal sales call to get your money and your personal information.



Watch out for phishing emails and text messages.

Don't click on links in emails or texts you didn't expect.



Research before you donate.

Don't let anyone rush you into making a donation. Get tips on donating wisely at [ftc.gov/charity](https://www.ftc.gov/charity).



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SOURCE: <https://www.ftc.gov/coronavirus/scams-consumer-advice>

STRATEGIES PLAN SPONSORS CAN UTILIZE TO REDUCE MEDICATION FWA

FORMULARY AND CLINICAL MANAGEMENT

Quantity level limits to limit the dose or frequency of a medication

Prefer lower cost alternatives via pharmacy tier

Exclude non-essential, high-cost impact medications

PHARMACY AND PRESCRIBER NETWORK MANAGEMENT

Remove proven bad-acting pharmacies and providers from the network

CONTINUOUS SURVEILLANCE AND ANALYTICS

Utilize data and analytics to identify anomalies and emerging fraudulent schemes



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QUESTIONS + ANSWERS



Rebekah Gregg

SVP, Product and Marketing
rgregg@psgconsults.com



Jennifer Warren

Manager, Product
jwarren@psgconsults.com