

OptumHealth New Mexico Referrals Executive Summary

Situation Overview:

Part of Optum's responsibility as stewards of New Mexico's behavioral health care dollars is to control fraud, waste and abuse. As part of this commitment, Optum has been making referrals of suspicious activity in the provider network to the State, as required by contract, since the contract inception in July 2009.

As part of its fraud, waste and abuse program, Optum conducted research and desk audits on all providers in the Optum network. Optum detected irregularities in the claims data, indicating potentially unusual activity. Optum reported these irregularities within the behavioral health system as a whole to the State in November 2012. The State then moved to conduct a comprehensive audit. The State of New Mexico then conducted formal audits of 15 providers beginning in February 2013. Optum has continued to conduct additional research and desk audits on the entire provider network as part of ongoing fraud, waste and abuse efforts. The following is a summary of items found in our research.

Issues Specific to the 15 Providers Audited:

- Practitioners billing long hours, providers billing long days for consumers
- Providers unbundling bundled (all-inclusive and/or per diem) services Violation of CMS NCCI
- Up-coding and double-billing – research has shown providers using excessive billing of specific codes, or billing for two services but only providing one
- Overuse of codes
- Research identified outliers for out of home placement services.
- Consumer research identified billing for a consumer at two providers in a business relationship on the same date of service.
- Cross-billing for mutually exclusive codes on the same day at same provider or at different providers for the same consumer.
- In the course of an audit being conducted by Optum at a provider site, it became apparent that the provider's electronic medical records system was connected to a separate provider's electronic medical records system. Optum found this suspicious because the providers do not have a disclosed business relationship.

We take our responsibility as stewards of New Mexico's behavioral health care dollars to control waste, fraud and abuse very seriously and will continue to be vigilant in uncovering it.