AN INTERVIEW WITH VETERAN MEDICAID FRAUD INVESTIGATOR & AGENCY CONSULTANT DR. DAVID BOTSKO

Dr. Botsko has spent more than 20 years in law enforcement and government investigation, much of that in pursuit of those who commit Medicaid fraud.

Now, as head of David Botsko Consulting in Charlotte, N.C., he spends much of his time training investigators, speaking to agencies and medical groups, and helping other investigative teams sharpen their skill sets.

Dr. Botsko sat down with Thomson Reuters to discuss the state of the health insurance fraud investigation environment and how to obtain the tools necessary to give investigators the edge in combating costly Medicaid fraud.

Q: Thomson Reuters: When do you see the industry right now as to its fraud investigation tools?

A: Dr. Botsko: When I started with the state of Arizona, which was in the year 2000, we had no analytical tools other than Excel, which was the high end! There wasn’t that much available in the way of advanced tools.

In fact, when I started teaching with the Department of Justice in Columbia, S.C., at the Medicaid Integrity Institute — which was an institute set up for all state Medicaid investigators nationwide — the situation with investigative tools wasn’t much better.

We wanted to start teaching investigators how to conduct investigations, with best practices, and set up a venue where all 50 states could talk to each other informally at a supervisor, manager, or investigator level. As we did that, we started to examine where we could get the best tools to conduct investigations; and at that time, more companies — like IBM, and other companies — started coming up with tools, such as an analytical tool that would fit into your state payment management system.

Even with these basic tools, investigators could start looking for outliers, and do comparisons among other user populations, but it was slow and not that easy.

Q: Thomson Reuters: Today, what techniques and tools are investigators using to get their jobs done?

A: Dr. Botsko: I taught at the Federal Law Enforcement Training Center for a while, and we taught the use of CLEAR® at our white-collar crime training program.

We found that using CLEAR was really terrific, because when you are trying to prove wrongdoing, it’s often a CLEAR search that can find what you need.

For example, one of the things I can do is compare general practitioners and their ZIP codes with other practitioners in that ZIP code. Sometimes you’d find that one practitioner is billing CPT code 99215 — which is the highest-paying evaluation and management code for Medicaid — up to six times a day. That is very unusual for a general practitioner. One … maybe. Two, would be high. So, when we see six or so being billed, we start being able to zero in on that situation.

We started using that kind of analytical work across the spectrum, with all types of practitioners. We started looking for impossible days, where you couldn’t possibly treat that number of patients in one day. In fact, in doing that, we uncovered one of the largest pill mills in history. This doctor was billing Medicaid for seeing 120 to 140 patients… continued …
in one day — but all he was doing was writing prescriptions, for cash only. We sent in an undercover investigator, and he observed that the doctor would literally spend approximately 90 seconds with each patient. After our investigation, the doctor was convicted, received jail time, and lost his license. As a side to that, we also prosecuted the pharmacy across the street, which was complicit.

We also ran CLEAR searches on him and his wife and found all of these expensive vehicles and homes he owned as well as various expensive associations he belonged to. It helped our case to show that he was living well beyond the means of a normal physician, and his income had to be extremely high to afford all these toys.

And then there’s another aspect to this, because you also have recipient fraud. The Medicaid recipient may lie about their eligibility and illegally get onto the program. You have to track them down too, and we found that CLEAR was extremely good at doing that. I could give you 20 or 30 examples where that was the case. Medicaid recipients were living in $400,000 homes yet claiming annual income below $10,000. In one case I remember specifically, the guy drove a Dodge Viper, which cost about $90,000.

Q: Thomson Reuters: You’ve talked a lot about tools and tactics. Is there anything in that area which would make an investigator’s job easier?

A: Dr. Botsko: A lot of states are money-poor, and don’t have big budgets. When they teach various classes and mention that we use CLEAR, they’d immediately ask how much it costs. Often, they think they can’t afford it or their state won’t pay for it.

But I’d explain that by using CLEAR, an investigation that used to take 40 hours now takes 30, because we are not sending people down to the courthouse and we are not having people run around neighborhoods — we find everything we need all sitting behind a desk in 10 minutes.

As a result, you will actually get through more cases and you will not have the backlog that’s haunting you all the time. Having these research assets at your disposal — such as finding people with the correct credentials, addresses, and financials — will all shorten your investigation time.

I tell these investigative agencies they need to frame the debate as a “return on investment” — that is really the name of the game. When you go to the state legislature, your secretary of health, your budget directors, and when you ask for CLEAR, show some numbers and some analysis. In many cases, if you get to do just one case per week faster than you did before, CLEAR is already going to pay for itself.

Q: Interestingly, every time I did one of those meetings, you would see an increase in the number of self-reported cases coming to our fraud office. Doctors would contact us and say, “After your talk, I went back and looked at our billings, and we did a critical review for the last six months, and we owe you $723,” or something similar. It was never a large amount of money, but at least they took a look.

A: Dr. Botsko: Be very public and really get a lot of notoriety to your investigations. We try not to be heavy-handed, and we don’t want to beat people up with a mallet — but a small hammer is okay now and again because it gets everybody’s attention. So, when we had something really egregious, we would encourage our public relations people to put it in the papers, on the news, and on our website. We’d give out information on some of the people who had been criminally convicted, because that’s public information.

Also, mentioning these cases at public events or when you do speeches and talks at meetings is a surprising deterrent; for example, if I was speaking before groups, like the Arizona Hospital Association, the Neurologists Association, or the College of Medicine at Arizona State University. You have an audience of doctors, so I speak about how they can avoid getting in trouble with their Medicare billing and give some of the examples pertaining to investigations conducted by the agency.

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DAVID A. BOTSKO, PH.D., CFE

Dr. Botsko has served as the Program Integrity Director for Partners Behavioral Health, managing a staff of professional clinical licensed investigators, analysts, and auditors. He also serves as an ad hoc instructor for the U.S. Department of Justice, Medicaid Integrity Institute (MII).

Dr. Botsko was the Inspector General for the State of Arizona Medicaid Program and has more than 27 years as a Federal Law Enforcement Officer, where his last assignment was the Deputy Director for Training for the Inspector General Academy. Prior to that, he served with the U.S. Department of Defense, Criminal Investigative Service headquarters, as a supervisory special agent. David has been a special agent with the U.S. Department of State, Diplomatic Security Service, where he conducted investigations relating to major fraud schemes, violations of the Strategic Arms Limitation Agreements, and mismanagement or misappropriation of funds affecting operations of U.S. Embassies worldwide.

Dr. Botsko has a Ph.D. in Psychology and undergraduate degrees in Sociology and Police Science.

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