

## **I. FRAUD AND ABUSE PROVISIONS**

This legislation provides additional resources for the Health Care Financing Administration, the Department's Office of the Inspector General, the Federal Bureau of Investigation, and other agencies to combat health care fraud, waste and abuse. Successful efforts started under the Operation Restore Trust (ORT) demonstration will be expanded into a nationwide program. In addition, the legislation includes a number of provisions that strengthen current health care law enforcement efforts.

## **II. PURPOSE**

This legislation creates a Health Care Fraud and Abuse Control Program to be coordinated by HHS-OIG and the Attorney General to be funded from an appropriation from the HI Trust Fund in amounts certified by the Secretary of HHS and the Attorney General. The legislation also establishes the HCFA Medicare Integrity Program, and the Medicare Anti-Abuse Program in the HHS-OIG to provide a stable and reliable funding source for Medicare payment integrity activities. The legislation also strengthens health care law enforcement efforts by adding new mandatory exclusions, by extending many current Medicaid and Medicare CMPs to all federal health care programs, by encouraging beneficiaries to report instances of fraud and abuse, and by establishing an Adverse Action Data Base against health care providers, suppliers, or practitioners who commit fraud.

## **III. IMPACT**

This law will save about \$3.5 billion in federal funds over seven years, and will have a significant effect on private health plan savings by strengthening federal efforts to detect and prosecute fraud and abuse.

## **IV. SPECIFIC PROVISIONS**

- ▶ Creates a health care fraud and abuse control program to be coordinated by HHS-OIG and the Attorney General. Funding will not exceed \$104 million in FY 1997, with 15 percent annual increases until 2003. For each fiscal year after 2003, the limit would be \$241 million, with no annual percentage increases. Of this amount, \$60-70 million in 1997 is specifically designated for the HHS-OIG to fight fraud and abuse in Medicare and Medicaid.
- ▶ Establishes the Medicare Integrity Program to fund Medicare payment integrity activities. Direct appropriations would be made to this account from the HI Trust Fund for carrying out the Medicare Integrity Program ranging from not less than \$430 million and not more than \$440 million in FY 1997 to not less than \$710 million and not more than \$720 million in FY 2003 and beyond.
- ▶ Requires issuance of advisory opinions, additional safe harbors (for anti-kickback statute), and fraud alerts.

- ▶ Adds new mandatory exclusions from Medicare and Medicaid for felony convictions related to health care fraud or controlled substances.
- ▶ Creates new broad exceptions to anti-kickback statute for broadly defined managed care organizations.
- ▶ Provides for termination of contract, civil money penalties, or suspension of enrollment or payments as intermediate sanctions against HMOs.
- ▶ Establishes a final adverse action data base against health care providers (coordinated with and not duplicative of the National Practitioner Data Bank), suppliers or practitioners.
- ▶ Extends many current Medicaid and Medicare CMPs to all federal health care programs.
- ▶ Provides for Explanation of Medicare Benefits (EOMB) for all Medicare benefit items and services and establishes a program to encourage beneficiaries to report fraud and abuse and suggestions on improving the efficiency of the Medicare program.
- ▶ Makes knowing and willful transfer of assets to gain eligibility for Medicaid subject to criminal penalties--including civil monetary penalties or prison--if the transfer resulted in a period of ineligibility.

## V. ADMINISTRATION HISTORY ON ISSUE

- ▶ In 1995, the Administration initiated "Operation Restore Trust" (ORT), a five state demonstration designed to crack down on fraud and abuse in Medicare and Medicaid. The funding provided in the Insurance Portability and Accountability Act will allow ORT to be expanded to all states.
- ▶ This administration is clearly on record in support of strengthening efforts to combat health care fraud and abuse. Most of the provisions in this new legislation are similar to provisions in the President's proposed legislation, and support continued improvement in detecting and prosecuting fraud and abuse.

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## Executive Summary

Though there have been many efforts in recent years to stem the rising cost of health care, consumers continue to feel the pinch in their pocketbooks. Many consumers believe that fraud and abuse is a big contributor to the problem, that reducing fraud and abuse will increase the quality of their care and lower their costs, and that more can and should be done to reduce fraud in the health care system. In fact, nearly 70 percent of consumers believe the Medicare program would not go broke if fraud and abuse were eliminated.

The federal government, as well as private insurers, have spent hundreds of millions of dollars to improve claims auditing, beef up enforcement, and educate providers and the public in the fight against health care fraud.

Yet, the survey found that nearly 80 percent of consumers are unaware of *any* efforts to reduce health care fraud. **The idea that fraud is rampant and little is being done about it is very much alive in the public's mind.**

Despite the efforts of enforcement authorities, 87 percent of consumers believe health care fraud is increasing or staying the same. Even more -- 93 percent -- believe fraud is extremely or somewhat widespread, and they believe it is extremely widespread in the Medicare and Medicaid programs more so than in any other public or private health care program.

When asked what changes would give them greater confidence that their health care dollars were being better spent, the majority of respondents say greater control within the health care system -- better monitoring, closer scrutiny of claims, better investigative techniques, catching the people who commit fraud (especially in the Medicare and Medicaid programs), stricter government regulations, and tougher qualifications for participation in Medicaid. It is clear that many Americans remain extremely concerned about the effects of fraud, not only on their health care costs, but also on the quality of their health care. And, most -- 85 percent -- say they stand ready to assist in the fight against fraud and abuse, if they only knew how. They don't know how to report it, whom to trust to do something about it, or where to get information about health care fraud.

The American public is somewhat cynical about health care fraud, but less cynical than they are about government generally. They clearly see health care fraud as a crime. Their cynicism is counterbalanced with a degree of potential optimism: eight in 10 Americans believe something can be done to reduce health care fraud, and two-thirds say they would like Congress to allot more funds to fight health care fraud (and like numbers call for more non-public anti-fraud funds, as well).

The most positive findings in the survey pertain to the strong and nearly universal willingness of persons to take personal responsibility to do something themselves about health care fraud, if only they were shown the way. The public perceives a clear self-

interest in reducing health care fraud. They see fraud costing them money, and the reduction of fraud as improving their own health care.

AARP hopes to take the information learned in this survey and craft a campaign to build on the positive values expressed here and to dispel the myths and misperceptions about health care fraud.

AARP does not see itself as acting alone in designing and implementing such a campaign. The Association wants to work with both the public and private sectors in this effort. Educating Americans about the extent of fraud -- and of efforts already operating to combat it -- can help us fight the battle of trimming health care waste.

## Methodology

A little over year ago AARP established a task force to address the question of creating a public information campaign to focus on health care fraud. The goal was to involve members and the general public in a national information campaign on health care fraud. This survey is the first step in that effort.

To craft such an information campaign, AARP needed to know:

- ◆ Public understanding of fraud and abuse,
- ◆ Personal experience with fraud and abuse,
- ◆ Misunderstanding about fraud and abuse,
- ◆ Perceptions of the size of the problem,
- ◆ Public support for fighting fraud,
- ◆ Consumers' knowledge of how and where to file complaints, and
- ◆ Consumer experience with filing complaints.

With this baseline information, AARP and others can focus our efforts and frame key messages that have impact.

To construct the survey itself, AARP conducted a series of four focus groups and asked both public and private sector agencies about key issues and specific questions to ask. These agencies included the Inspector General of the Department of Health and Human Services, the Health Care Financing Administration, the Federal Trade Commission, the Federal Bureau of Investigation, the Department of Justice, the National Association of Medicaid Fraud Control Units, the Health Care Anti-Fraud Association, and the Health Insurance Association of America. Based on these insights, a survey instrument was drafted, reviewed, and tested.

The survey was conducted in November and December, 1996, by the ICR Survey Research Group. Two thousand adults age 18 or older from around the country were interviewed by telephone using the random digit dialing (RDD) method. This sample is representative of the American adult population, with a sampling error for the entire survey of plus or minus 2 percent.

There were 500 respondents from each of four age groups: Generation X (18 - 29), Baby Boomers (30 - 49), Mid-Life Americans (50 - 64), and Seniors (65+). Sampling error for the age groups is plus or minus 4 percent.



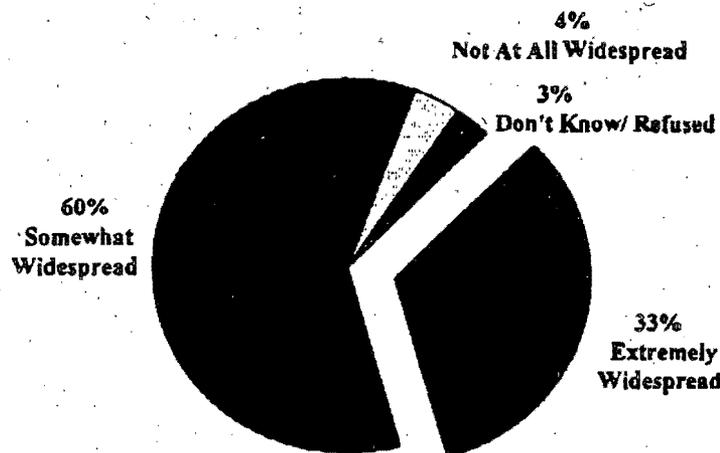
# FINDINGS



## How Widespread Do We Think the Problem Is?

How many Americans are aware of health care fraud? According to the survey, an overwhelming majority of the population regards health care fraud as either *extremely* (33 percent) or *somewhat* (60 percent) *widespread*.

### How Widespread Do You Think Health Care Fraud Is in General?

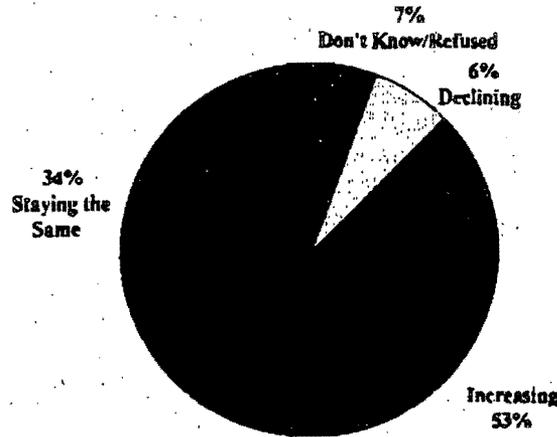


Belief that the problem is extremely widespread is highest among:

- ◆ those age 50-64 (42 percent);
- ◆ blacks (50 percent);
- ◆ those who without high school diplomas (48 percent);
- ◆ those for whom health care fraud is a major issue (51 percent);
- ◆ those who have experienced health care fraud (47 percent);
- ◆ those who took no action about health care fraud they had experienced (52 percent);
- and
- ◆ those who think health care fraud is increasing (43 percent).

More than half (53 percent) of the public believes that health care fraud is increasing, a third (34 percent) thinks it is staying the same, and very few (6 percent) think it is declining.

**Do You Think the Amount of Health Care Fraud Is Increasing, Declining or Staying the Same?**



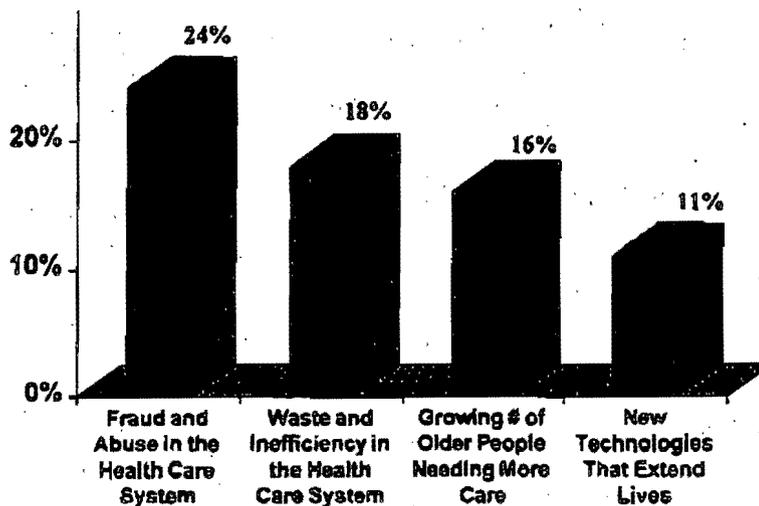
This view is strongly related to the basic attitude about the extent of health care fraud: Seven in 10 who believe health care fraud is extremely widespread also believe that fraud is increasing, compared to only 48 percent of those who think the amount of fraud remains the same. The view that health care fraud is increasing is held more often by those who view health care fraud as an important issue to them personally (63 percent) and those who have experienced fraud (62 percent), compared to those who have not (51 percent).

Four possible reasons for the rise in health care costs were presented to the respondents, who were asked how important they thought each to be. Health care fraud was more often viewed as a most important reason (24 percent), compared with waste and inefficiency in the health care system (18 percent), the demographics of aging (16 percent), and technology (11 percent).

There were few demographic differences, but this view is related strongly to the basic attitude about the prevalence of health care fraud: Those who believed health care fraud to be extremely widespread (36 percent) were much more likely to cite fraud as one of the most important reasons for the rise in health care costs, compared to those who thought fraud is somewhat widespread (18 percent), or not at all widespread (7 percent).

This view was also held more often by those who had experienced health care fraud (33 percent), compared to those who had not (22 percent).

**Percent Who Believe Each of the Following Is One  
of the Most Important Reasons for the Rising  
Cost of Health Care**

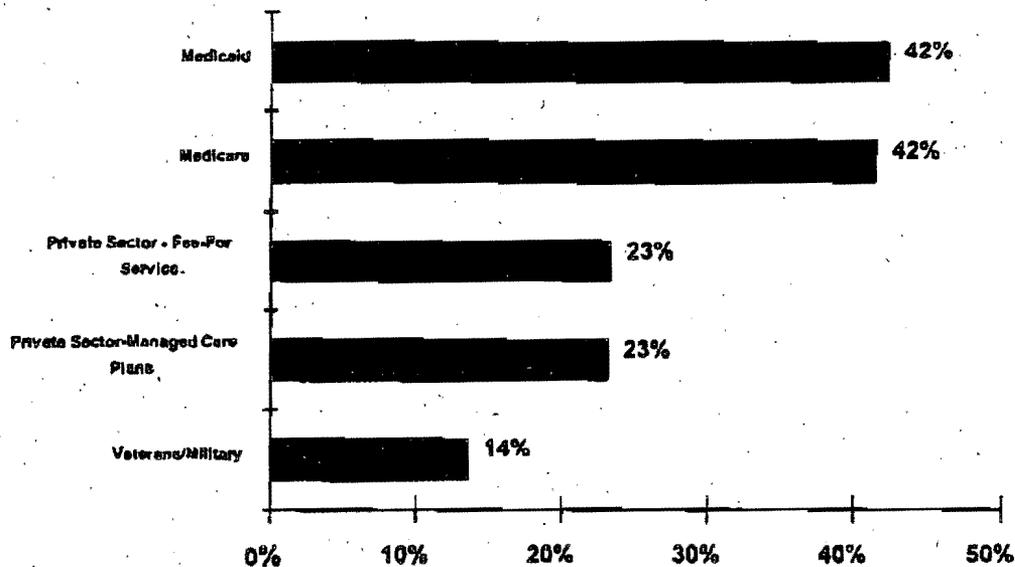


## How Are We Paying for Fraud?

Ninety-six percent of respondents assume that individuals/consumers are making up for the losses ascribed to health care fraud. Respondents recognized they are not the only people paying. They see employers (77 percent), the government (70 percent), and insurance companies (62 percent) as also paying for these costs. Fewer (42 percent) see doctors and hospitals bearing the costs of fraud.

Over 40 percent believe that health care fraud is extremely widespread under the federal Medicaid and Medicare programs. Fewer respondents (23 percent) view fraud as extremely widespread in the private sector.

### Percent Who Believe Fraud Is Extremely Widespread in the Following Specific Areas:



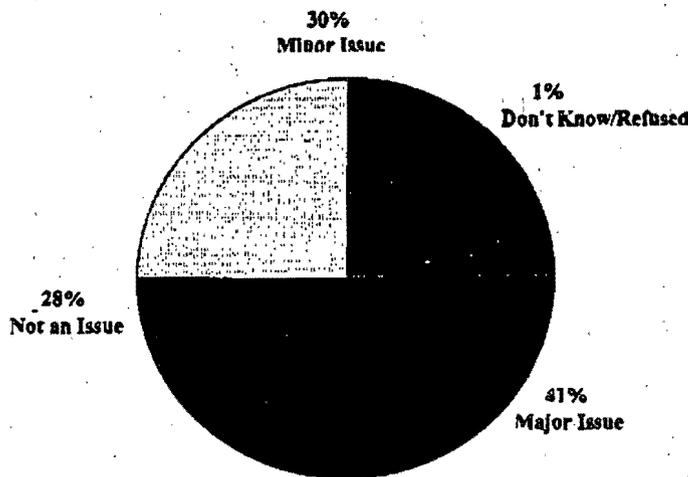
Finally, despite numerous prosecutions and monetary recoveries in 1996, most Americans are unfamiliar with any efforts to reduce the amount of health care fraud. Almost eight in ten (79 percent) say they are unaware of any efforts and only 20 percent indicate awareness.

## How Important Is Health Care Fraud to Us Personally?

Health care fraud was considered a major issue, a minor issue, or not an issue by 41 percent, 30 percent, and 28 percent of the respondents, respectively. Fraud is less of an issue for Generation Xers, 36 percent of whom said it was not an issue for them. More blacks (54 percent) than whites (38 percent) consider it a major issue for themselves.

Personal interest in the health care fraud issue was strongly related to the extent of health care fraud they perceive: Those who believed health care fraud to be extremely widespread were much more likely to say it was a major issue for them (64 percent), compared to those who thought fraud was somewhat widespread (31 percent) or those who took fraud to be not at all widespread (14 percent).

### Is Health Care Fraud Currently a Major Issue, a Minor Issue, or Not an Issue for You?



## **Where Is Health Care Fraud More Widespread, and Which Providers Are Responsible?**

A majority of Americans view public and private agencies overseeing health care expenditures with cynicism. Nevertheless, there is also a large minority that disagrees. For example, a majority (51 percent) of the respondents is of the opinion that the "people you report health care fraud to don't really care enough to do anything about it." However, a large percentage (43 percent) disagrees with that statement.

As to specific agencies, 42 percent of the respondents agree with the statement "the Medicare Administration isn't really doing anything to detect and prosecute health care fraud." An equal number of respondents disagrees with that statement. Forty-five percent of the respondents believe Medicaid administrators aren't "doing anything," and 39 percent disagree.

A majority of the respondents also question the efforts of private insurance companies to limit fraud. Sixty-one percent agree with the statement that "insurance companies have no incentive to detect health care fraud; they can always raise your premium." Again, however, a large percentage (37 percent) of respondents disagrees.

To respondents, health care fraud is not a matter of mistakes and inefficiencies. Almost 70 percent view it as "intentional," the characteristic that makes it a crime.

The public finds health care fraud more often to be extremely widespread in public sector health programs, such as Medicare (42 percent) and Medicaid (42 percent), than in private sector programs, either traditional doctor and hospital arrangements (23 percent) or managed care (23 percent). Fewest respondents considered fraud to be extremely widespread in veterans or military health care (14 percent).

Regardless of where health care fraud was perceived (by sector), the same pattern of relationships were found: a direct relationship to the general view of how widespread health care fraud is, personal experience with health care fraud, race (blacks), and an inverse relationship to education (the less educated).

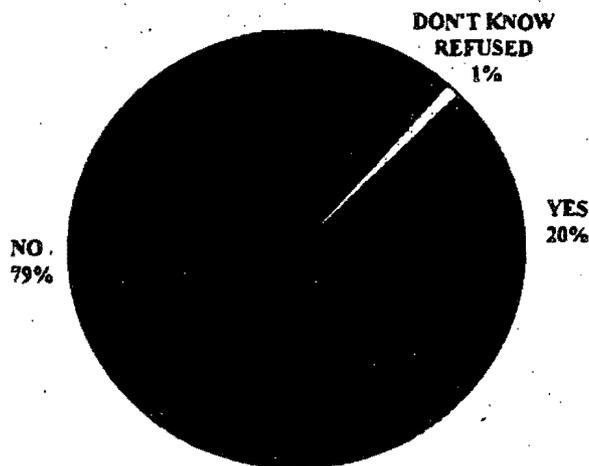
As far as health care providers are concerned, we get two different answers, depending on how the question is asked. An open-ended question about whom they thought was most responsible for the level of health care fraud in this country resulted in "top-of-mind" responses with the respondents are most familiar, such as doctors (31 percent), consumers/patients (15 percent), and insurance companies (11 percent). Interestingly, the respondents overlooked or gave very low numbers to certain providers where, according to government officials, the potential for fraud is very high. For example, nursing homes, durable medical equipment suppliers, medical laboratories, and home health agencies are not high on the respondents' list, while government officials see these areas as "particularly susceptible to fraud."

However, when asked specifically about various providers, leading the list of health care providers who are believed to commit a "great deal" of health care fraud are pharmaceutical companies (33 percent), insurance companies (29 percent), medical equipment companies (28 percent), and hospitals (28 percent). These are followed by doctors (22 percent), patients/consumers (21 percent), home health companies (18 percent), and pharmacists (11 percent).

## Who is Fighting Health Care Fraud?

Public awareness of efforts to combat health care fraud is low for most of the population – 20 percent overall. Awareness is lowest among Generation Xers (12 percent), the less educated (11 percent), and those with the lowest incomes (12 percent).

### Are You Aware of Any of the Efforts to Reduce Health Care Fraud?



The 20 percent who were aware of efforts to reduce health care fraud were asked whether these efforts have increased, reduced, or had no effect on health care fraud. A majority (52 percent) of the "aware" respondents said that these efforts have reduced health care fraud, and 31 percent thought anti-fraud efforts have had no effect, and one in 10 thought these efforts have actually increased fraud. Only the few who felt health care fraud is declining stood out in believing anti-fraud efforts have reduced health care fraud (66 percent).

All respondents were asked whether more public and nonpublic funds should be used to fight health care fraud. A solid two-thirds approved spending more public (66 percent) and nonpublic (69 percent) funds. Those at the lowest income (75 percent) and educational (75 percent) levels, blacks (84 percent), and Democrats (75 percent) were more supportive of using more public funds. Blacks (78 percent) and Democrats (75 percent) were also more supportive of using more nonpublic funds to fight health care fraud.

While they may disagree about the efficacy of current oversight, Americans are optimistic that something can be done about fraud. Almost eight in 10 agree that something "can be done to reduce health care fraud," and in a related question, nearly eight in 10 disagree with the statement that fraud is a natural part of the health care system and nothing can be done about it. Finally, 74 percent conclude their own health care would improve if "more was done to reduce health care costs."

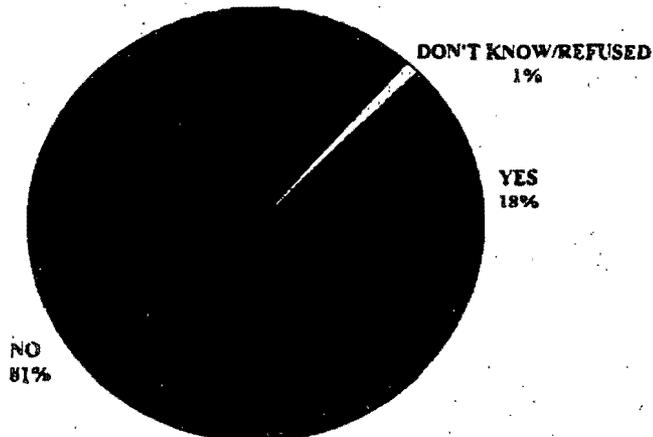
Survey respondents indicate they consider themselves to be partners in the fight against health care fraud. Almost all respondents (90 percent) agree that "it's my personal responsibility to report suspected health care fraud." Eighty-five percent indicate they would be inclined to report more fraud if "I knew more about it." Finally, while patient-doctor relationships can be personal to many Americans, 90 percent of the respondents indicate they would report "my doctor if I thought he or she had committed fraud."

## Personal Experiences with Health Care Fraud

While most Americans believe they have never experienced this kind of fraud, there are many who doubt the efficacy of filing a complaint about health care fraud. Nonetheless, respondents indicate they do not believe they need financial incentives to report fraud.

Only 18 percent of the survey respondents (representing nearly a fifth of all adult Americans) said they had ever personally experienced health care fraud. The types of health care fraud experienced included billing for services not furnished as billed (28 percent), overcharging for hospital services (16 percent), billing for medically unnecessary services (16 percent), and duplicate billings (11 percent).

### Have You Ever Personally Experienced Health Care Fraud?



There were few demographic differences except for age (only 9 percent of Generation Xers said they had experienced health care fraud). Women (20 percent) were relatively more likely than men (15 percent) to have experienced fraud, as were those who think health care fraud is extremely widespread (25 percent) and those for whom the fraud issue is salient (24 percent).

Half of those who said they had experienced health care fraud took some action about the suspected fraud (especially regarding billing for services not performed and in the case of duplicate billings). There were significant differences only at the highest educational level (60 percent) and by race (52 percent for whites and 25 percent for blacks).

Those who took some action contacted their insurance company (38 percent), the hospital/clinic/nursing home (22 percent), or their doctor (22 percent). Most (71 percent) said they got a response; in the majority of these cases (52 percent), the person they contacted did something about the suspected fraud.

## What Is the Role of Organizations in Fighting Health Care Fraud?

In the final grouping of questions, the survey asks respondents if they know where to complain to, whom they trust the most to take steps to reduce fraud, and where they would look for information about health care fraud.

When asked an open-ended question to whom they would report health care fraud, respondents' answers were across the board with no clear pattern. The largest percentage of respondents (30 percent) indicated they didn't know or refused to answer. Next mentioned was insurance companies with 25 percent. The remaining responses consist of dozens of agencies and persons. However, no single agency received more than 13 percent of the responses. There appears to be a great difference of opinion among the public as to where to file complaints.

Similarly, more than 30 percent of the respondents indicated they didn't know whom they would trust the most to reduce health care fraud. Another 15 percent answered insurance companies, and 15 percent referred to their state government. However, only 11 percent of the respondents indicated the federal government. Nonetheless, it is this branch of government that pays out more than billions in health care expenditures. Similarly, the Attorney General of the United States has indicated that health care fraud is the Justice Department's second priority.

Respondents were also asked where they would most likely look for information about this topic. Again, 30 percent of respondents did not know or refused to answer. No other answer garnered more than 16 percent of the respondents.

# CONCLUSIONS



## Conclusions

The results of this survey have demonstrated the American public thinks there is a significant health care fraud problem, especially in the public sector (Medicare and Medicaid), but also in the private sector. Only 18 percent said they have direct experience with this kind of fraud; half of these took some action about it.

Most Americans (eight in 10) are not aware of any efforts to combat health care fraud. Equal numbers say they would be more inclined to report health care fraud if they knew more about it, but they do not know where to get to get this kind of information. Furthermore, large numbers say they do know where to report health care fraud or whom they would trust to do something about it.

There is clearly a need for more effective public education on this topic, a task made more daunting by the finding that the less educated were the educational group most likely to think health care fraud was extremely widespread and least likely to be aware of efforts to combat it. The less educated are also more likely than those with more education to hold cynical attitudes about health care fraud.

Values and attitudes are clearly important elements of any effective anti-fraud communications strategy. The results of this survey have strong implications for strategic communications; they suggest themes that should resonate with the public generally:

- ◆ Health care fraud is a crime.
- ◆ You pay the cost of it.
- ◆ You can do something about it.

These are nearly universal beliefs, held by nine in 10 Americans. Building a communications strategy around personal values would heighten receptivity of the messages. The challenge is reaching the public with these messages, providing easily understood courses of action, and communicating successful efforts to combat health care fraud. Perceptions of the extent of health care fraud are a basic belief that must be affected by such a campaign.



# APPENDIX



## Attitudinal Responses

Respondents were asked by interviewers to agree or disagree to specific statements about health care fraud.

***"Most people, including doctors and hospitals, will just cheat when they think they can get away with it."***

Slightly more than half (54 percent) agreed with this statement. Agreement was higher among Generation Xers (63 percent), those with incomes of less than \$15,000 (67 percent), those without high school education (65 percent), Southerners (60 percent), and blacks (78 percent). Disagreement was greatest among those at the highest income (50 percent) and education (52 percent) levels.

Cynicism, as expressed by this attitude, is strongly related to the basic attitude about the prevalence of health care fraud. Seven in 10 of those who believe health care fraud is extremely widespread agree with this statement, compared to 49 percent of those who think fraud is somewhat widespread, and 28 percent of those who believe health care fraud is not at all widespread. It is also related to issue salience and to experience with health care fraud (64 percent), as well as to the belief that nothing can be done about health care fraud (68 percent).

***"Health care fraud is just built-in to the health care system: there's nothing that can be done about it."***

Only one in five agree with this statement (four in five disagree). Agreement is highest among those who don't think anything can be done about health care fraud (43 percent) and those who experienced health care fraud but did nothing about it (27 percent).

***"People you report suspected health care fraud to don't really care enough to do something about it."***

Roughly half (51 percent) agreed with this statement; 43 percent disagreed. Agreement was highest among blacks (62 percent), those who think health care fraud is extremely widespread (63 percent), those who have experienced fraud (59 percent), and those who do not believe anything can be done about health care fraud (57 percent), seniors (56 percent), and those with less than high school education (66 percent).

***"Insurance companies have no incentive to detect health care fraud; they can always raise your premiums."***

Six in 10 agree with the statement; 37 percent disagree. Agreement is strongly related to the basic attitude about the prevalence of health care fraud: extremely widespread (69 percent), somewhat widespread (59 percent), not at all widespread (36 percent). Agreement is also greater among those who have experienced health care fraud (68 percent).

***"Most health care fraud isn't really intentional: it's the result of mistakes and inefficiency."***

Seven in 10 disagree with this statement: they see intent to commit fraud, just as the vast majority (9 in 10) considered health care fraud to be a crime. Agreement is relatively greater among seniors (38 percent), those at the lowest educational and income levels (36 percent), those who believe nothing can be done about health care fraud (39 percent), those who think fraud is not at all widespread (43 percent), and people who believe that health care fraud is declining (39 percent).

***"Health care fraud may be wrong, but it isn't really a crime."***

Nine in 10 respondents disagree with this statement. Almost everyone accepts the criminal nature of health care fraud, although relatively fewer seniors (81 percent) than respondents in other age groups reject this view. Rejection of this view is even greater among those who have experienced health care fraud (97 percent) and by those who think something can be done about health care fraud (92 percent).

***"Insurance companies aren't really doing anything to detect and prosecute health care fraud."***

***"The Medicare administration isn't really doing anything to detect and prosecute health care fraud."***

***"State Medicaid administrations aren't really doing anything to detect and prosecute health care fraud."***

On each of the above three statements, the survey respondents are approximately evenly split between agreement and disagreement. Agreement with each statement is greater among those who think health care fraud is extremely widespread, and among those who have experienced health care fraud. Agreement is also strongly and inversely related to education: highest among those who did not graduate from high school, and lowest among college graduates.

***"It's my personal responsibility to report suspected cases of health care fraud."***

Nine in 10 respondents agreed either strongly or somewhat with this statement. Strong agreement is greater among those who believe health care fraud is extremely widespread (75 percent), those who took some action about suspected health care fraud (84 percent), those who believe something can be done about health care fraud (72 percent), those for whom health care fraud is a major issue (76 percent), and people age 50-64 (76 percent).

***"It's not worth the time and effort for me to report and pursue suspected health care fraud."***

Eight in 10 respondents disagree with this companion statement about personal responsibility. There are few demographic differences other than seniors being slightly more likely to reject this statement (seven in 10). Disagreement is related to education and is greatest among college graduates (87 percent) and least among non-high school graduates (70 percent). It is also related to the belief that something can be done about health care fraud (84 percent) and is greater among those who took some action about suspected health care fraud (86 percent). Unlike the other statement about personal responsibility, this statement is not related to the basic attitude about the prevalence of health care fraud.

***"I'm reluctant to report suspected health care fraud because I am afraid of the consequences of confronting my doctor or other health care provider."***

Three-quarters reject this statement. Disagreement is greater among those who think something can be done about health care fraud (78 percent), those who took some action about suspected health care fraud (82 percent), college graduates (80 percent), Republicans (80 percent), and those with incomes of \$50,000 or more (85 percent).

***"If I knew more about health care fraud, I would be more inclined to report it."***

Eighty-five percent of the respondents expressed overall agreement with this statement, and 61 percent agreed strongly. This implies a widespread need for information about health care fraud, but the respondents do not know where to get it, or whom to trust about health care fraud.

***"Do you think that your health care would improve if more was done to reduce health care fraud?"***

Nearly three-quarters of the survey respondents answered this question in the affirmative; 22 percent responded in the negative. Affirmative answers came more frequently from those who believed something could be done about health care fraud (76 percent), those who had experienced health care fraud (80 percent), those for whom health care reform is a major issue (84 percent), those who consider health care fraud extremely widespread (82 percent), and from blacks (84 percent).



# QUESTIONNAIRE



## HEALTH CARE FRAUD MAIN QUESTIONNAIRE

### AWARENESS

1. People have different ideas about what is causing health care costs to go up. For each of the following, please tell me if you think it is one of the most important reasons for rising costs, a major reason, a minor reason, or not a reason at all. First/Next (READ ITEM), is this (READ LIST)?

	a	b	c	d
4 One of the most important reasons	11	16	24	18
3 Major reason	41	49	42	43
2 Minor reason	33	25	26	31
1 Not a reason at all	12	8	6	5
D (DO NOT READ) Don't Know	3	2	2	3
R (DO NOT READ) Refused	-	-	-	-

- a. New technologies that extend people's lives  
 b. A growing number of older people who need more health care  
 c. Fraud and abuse in health care - patients and doctors cheating or misusing the system  
 d. Waste and inefficiency in the health care system

2. Do you think more health care dollars are lost to "fraud" or to "waste and inefficiency"?

47	1	Fraud
46	2	Waste and inefficiency
7	D	(DO NOT READ) Don't Know
-	R	(DO NOT READ) Refused

(IF ANSWERED "2" TO Q.2, ASK:)

- 2a. How does this differ from fraud?  
 (PROBE: In what other ways are waste and inefficiency not the same as fraud?)  
 (RECORD VERBATIM)

3. Is health care fraud currently a major issue, a minor issue, or not an issue for you?

41	1	Major issue
30	2	Minor issue
28	3	Not an issue
1	D	(DO NOT READ) Don't Know
-	R	(DO NOT READ) Refused

4. Do you think the amount of health care fraud is increasing, declining, or staying the same?

53 1 Increasing  
6 2 Declining  
34 3 Staying the same  
7 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

5. Are you aware of any efforts to reduce health care fraud?

20 1 Yes CONTINUE WITH Q.6  
79 2 No SKIP TO Q.7  
1 D Don't Know SKIP TO Q.7  
- R Refused SKIP TO Q.7

6. Do you think these efforts have reduced, increased, or had no effect on health care fraud?

52 1 Reduced  
10 2 Increased  
31 3 Had no effect  
7 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

7. Who do you think is most responsible for the level of health care fraud in this country?

(DO NOT READ LIST)

5 1 "White collar" criminals  
31 2 Doctors  
8 3 Hospitals  
1 4 Nursing homes  
11 5 Insurance companies  
15 6 Patients/consumers  
17 7 Other (SPECIFY) \_\_\_\_\_  
- D Don't Know  
R Refused

8. How widespread do you think health care fraud is in general?

33 1 Extremely widespread  
60 2 Somewhat widespread  
4 3 Not at all widespread  
3 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

9. And how widespread do you think health care fraud is in each of the following specific sectors?

(READ LIST)

	<u>a</u>	<u>b</u>	<u>c</u>	<u>d</u>	<u>e</u>
1 Extremely widespread	23	23	42	42	14
2 Somewhat widespread	58	52	44	44	50
3 Not at all widespread	13	13	9	7	22
D (DO NOT READ) Don't Know	5	12	5	7	15
R (DO NOT READ) Refused	-	-	-	-	-

(ROTATE)

- Private sector -- traditional doctor and hospital arrangements
- Private sector -- managed care plans (Health Maintenance Organizations (HMOs) or PPOs)
- Public sector -- Medicare (health care for the elderly and disabled)
- Public sector -- Medicaid (health care for the poor)
- Public sector -- Veterans'/military health care

10. Who pays for the cost of health care fraud?  
(READ LIST - RECORD ALL MENTIONS.)

- Yes
- No
- (DO NOT READ) Don't Know
- (DO NOT READ) Refused

% saying "yes"

- 96 Individuals/consumers
- 77 Employers
- 62 Insurance companies
- 70 The government (Medicare, Medicaid)
- 42 Doctors and hospitals

11. How much health care fraud do you think is committed by the following?  
 First/Next (READ ITEM), is it  
 (READ LIST)?

- 1 A great deal
- 2 Some
- 3 Very little, if any
- D (DO NOT READ) Don't Know
- R (DO NOT READ) Refused

		<u>Great</u>		<u>Very little,</u>		
		<u>Deal</u>	<u>Some</u>	<u>if any</u>	<u>DK</u>	<u>R</u>
a.	Doctors	22	56	20	2	-
b.	Hospitals	28	50	20	2	-
c.	Medical labs	19	48	27	6	-
d.	Medical equipment companies	28	43	20	8	-
e.	Home health companies	18	49	22	12	-
f.	Nursing homes	35	45	15	5	-
g.	Hospices	8	34	44	14	-
h.	Patients/consumers	21	49	26	4	-
i.	Insurance companies	29	46	21	4	-
j.	Pharmaceutical companies	33	42	20	5	-
k.	Pharmacists	11	38	46	4	-

PERSONAL EXPERIENCE

12. Have you ever personally experienced health care fraud?  
 (READ LIST)

- 18 1 Yes CONTINUE WITH Q.12
- 81 2 No SKIP TO Q.16
- 1 D (DO NOT READ) Don't Know SKIP TO Q.16
- R (DO NOT READ) Refused SKIP TO Q.16

**(IF YES TO Q.12, ASK:)**

13. Please describe your experience(s) with health care fraud.  
 (PROBE: What other types of health care fraud have you experienced?)  
 (DO NOT READ LIST. RECORD ALL MENTIONS.)
- 28 01 Billing for items of services that were not furnished as billed  
 6 02 Ordering medical tests that they knew were not needed  
 3 03 Falsifying a patient's medical condition to protect the patient from having to pay  
 3 04 Billing for medical equipment that was not needed  
 11 05 Billing twice for the same services  
 6 06 Misrepresenting the patient's medical condition in order to bill for more expensive services  
 16 07 Billing for medically unnecessary services  
 16 08 Overcharging for services in a hospital (such as \$15 for an aspirin)  
 2 09 Insurance companies failing to check claims for fraud  
 1 10 Going to the doctor when you are not really sick  
 2 11 Misleading advertising for medical products or services  
 0 12 Failure to reveal potential side effects before medical treatment  
 1 13 Not charging patients co-payments  
 2 14 Obtaining your health insurance or Medicare number and submitting false claims in your name  
 97 Other (SPECIFY) \_\_\_\_\_  
 6 DD Don't Know  
 4 RR Refused

**(IF "YES" TO ANY OF Q.12, ASK:)**

14. Did you take any action about this suspected fraud?  
 (NOTE: IF EXPERIENCED MULTIPLE TYPES OF FRAUD AND TOOK SOME TYPE OF ACTION ABOUT ANY TYPE, USE CODE 1 "YES".)
- 50 1 Yes  
 49 2 No  
 1 D (DO NOT READ) Don't Know  
 - R (DO NOT READ) Refused

(IF "YES" TO Q.14, ASK:)

15. Whom did you contact about it?  
(DO NOT READ LIST. RECORD ALL MENTIONS.)

38 01 My insurance company  
2 02 My employer  
3 03 The Medicare carrier/intermediary  
3 04 The state attorney general  
4 05 The state Medicaid Fraud Control Unit  
1 06 State or local law enforcement agencies  
0 07 FBI  
3 08 Medicare program administration/Medicare fraud unit  
1 09 Medicare or Health Care Financing Administration (HCFA) Hotline  
1 10 Medicare Inspector General  
0 11 Dept. of Health and Human Services Office of Inspector General: General  
1 12 Dept. of Health and Human Services Office of Inspector General: Hotline  
0 13 Better Business Bureau  
0 14 Department of Aging  
0 15 Consumer organizations (SPECIFY NAME) \_\_\_\_\_  
0 16 Newspaper/media  
0 17 Family/friends  
22 18 My doctor  
97 Other (SPECIFY) \_\_\_\_\_  
2 DD Don't Know  
- RR Refused  
22 Hospital/Nursing home/Clinic

(IF "YES" TO Q.14, ASK:)

16. Were they responsive to your complaint(s)?  
*of those who contacted someone*

71 1 Yes  
29 2 No  
- D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

(IF "YES" TO Q.14, ASK:)

17. Did they DO anything about your complaint(s)?  
*of those who contacted someone*

52 1 Yes  
42 2 No  
6 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

18. Do you think that anything CAN be done to reduce health care fraud?

79 1 Yes  
12 2 No  
9 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

(IF NO TO Q.18)

18a. Why not?

(PROBE: What else stands in the way of reducing health care fraud?)

(RECORD VERBATIM)

19. If you register a complaint about suspected health care fraud . . .

	a	b
1 Yes	50	46
2 No	44	48
D (DO NOT READ) Don't Know	5	6
R (DO NOT READ) Refused	-	-

a. Do you believe that you will have an effect?

b. Do you believe that the government or insurance company will do anything in your behalf?

20. Should Congress allot more money for health care fraud detection?

66 1 Yes  
28 2 No  
6 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

21. Should more non-public funds be used to fight health care fraud?

69 1 Yes  
23 2 No  
8 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

22. Do you think that YOUR health care would improve if more was done to reduce health care fraud?

74 1 Yes  
22 2 No  
4 D (DO NOT READ) Don't Know  
- R (DO NOT READ) Refused

23. What changes would give you greater confidence that your health care dollars are being better spent?  
(RECORD VERBATIM)

24. I'm going to read you some statements about possible health care fraud. Please tell me whether you agree or disagree with each statement. First/Next  
(READ STATEMENT)  
do you agree or disagree?  
(PROBE: Is that strongly or somewhat?)

- 4 Agree strongly
- 3 Agree somewhat
- 2 Disagree somewhat
- 1 Disagree strongly
- D (DO NOT READ) Don't Know
- R (DO NOT READ) Refused

(ROTATE)

% agree

- 69 a. The Medicare program would not go broke if fraud and abuse were eliminated.
- 90 b. I would report my doctor if I thought he or she had committed fraud.
- 61 c. Insurance companies have no incentive to detect health care fraud; they can always raise your premiums.
- 90 d. It's my personal responsibility to report suspected cases of health care fraud.
- 19 e. Health care fraud is just built-in to the health care system: there's nothing that can be done about it.
- 28 f. Most health care fraud isn't really intentional: it's the result of mistakes and inefficiency.
- 54 g. Most people, including doctors and hospitals, will just cheat when they think they can get away with it.
- 51 h. People you report suspected health care fraud to don't really care enough to do anything about it.

25. I have just a few more statements I'd like to get your reaction to. First/Next  
(READ STATEMENT)  
do you agree or disagree?  
(PROBE: Is that strongly or somewhat?)

*% agree*

- 17 a. It's not worth the time and effort for me to report and pursue suspected health care fraud.
- 85 b. If I knew more about health care fraud, I would be more inclined to report it.
- 22 c. I'm reluctant to report suspected health care fraud because I am afraid of the consequences of confronting my doctor or other health care provider.
- 42 d. The Medicare administration isn't really doing anything to detect and prosecute health care fraud.
- 44 e. State Medicaid administrations aren't really doing anything to detect and prosecute health care fraud.
- 44 f. Insurance companies aren't really doing anything to detect and prosecute health care fraud.
- 8 g. Health care fraud may be wrong, but it isn't really a crime.

ORGANIZATIONAL ROLES

26. If you thought you had experienced an instance of health care fraud, who would you report it to?  
(DO NOT READ LIST. RECORD ALL MENTIONS.)

- 8 01 The federal government: General response (ASK WHO?)
- 4 02 The federal government: Medicare Program/Health Care Financing Admin.
- 1 03 The federal government: HHS Office of Inspector General
- 1 04 The federal government: HHS Office of Inspector General Hotline
- 13 05 State governments
- 1 06 Medicaid program
- 6 07 State attorney general
- 1 08 FBI
- 25 09 Insurance companies
- 5 10 The American Medical Association
- 1 11 The American Hospital Association
- 6 12 Your Doctor
- 4 13 Hospital billing office
- 0 14 Nursing home operators
- 1 15 Medical labs
- 0 16 Medical Equipment suppliers
- 1 17 Home health companies
- 1 18 Consumer organizations (WHICH?)
- 1 19 Newspapers/media
- 97 Other (SPECIFY) \_\_\_\_\_
- 1 NN Would probably not report it
- 29 DD Don't Know
- 1 RR Refused

27. Who would you trust most to reduce health care fraud?  
(DO NOT READ LIST. RECORD ALL MENTIONS.)
- 11 01 The federal government: General response (ASK WHO?)
  - 3 02 The federal government: Medicare Program/Health Care Financing Admin.
  - 2 03 The federal government: HHS Office of Inspector General
  - 1 04 The federal government: HHS Office of Inspector General Hotline
  - 15 05 State governments
  - 1 06 Medicaid program
  - 3 07 State attorney general
  - 1 08 FBI
  - 15 09 Insurance companies
  - 1 10 The American Medical Association
  - 0 11 The American Hospital Association
  - 6 12 Your Doctor
  - 1 13 Hospital billing office
  - 14 Nursing home operators
  - 15 Medical labs
  - 16 Medical Equipment suppliers
  - 1 17 Home health companies
  - 1 18 Consumer organizations (WHICH?)
  - 1 19 Newspapers/media
  - 97 Other (WHICH?)
  - 6 NN Would probably not report it
  - 31 DD Don't Know
  - RR Refused