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PROPRIETY of PHYSICIANS'

RECEIPT of FEDERAL PAYMENTS



OFFICE OF INSPECTOR GENERAL

OFFICE OF ANALYSIS AND INSPECTIONS

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Office of the Inspector General

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This Report

Entitled "Propriety of Physicians' Receipt of Federal Payments," this study was conducted to determine whether the Social Security administrative structure and Social Security benefits were vulnerable to abuse by certain problem physicians.

The report was prepared by the Regional Inspector General, Office of Analysis and Inspections, Region VI and the Office of Analysis and Inspections Social Security Branch.

PROPRIETY OF PHYSICIANS'
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INSPECTOR GENERAL

DATE OF INSPECTION
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EXECUTIVE SUMMARY

The Inspector General began this study after discovering a physician barred from the Medicare program had obtained Social Security disability benefits based upon false medical evidence. The purpose of the study was to determine whether the Social Security Administration's (SSA) administrative structure, and Social Security benefits, were vulnerable to fraud or abuse by physicians with known or suspected problems. (These physicians were those barred from the Medicare program, in default on Health and Human Services loans, or identified by the U.S. Postal Service as having suspect medical credentials.) The study was completed by reviewing all active SSA disability cases from the problem physicians, reviewing employment records of the Social Security Administration and State Disability Determination Service (DDS) offices in the region assigned to this study, and by reviewing DDS records to determine if problem physicians were engaged in providing consultative examinations.

We are pleased that our study surfaced no major problems.

- The Social Security Administration is providing State DDS offices information on debarred physicians, and Disability Determination Service offices are using the listings to screen candidates for consultant services. None of the physicians were employed by the Social Security Administration or by the State DDS offices.
- We did find one physician in loan default and with an indirect role in the Disability Determination Service consultative process. The physician was one of many physicians employed by a clinic providing consultative services.
- The review of disability files on problem physicians did not surface additional fraud.
- We recommend that the State Disability Determination Service offices carefully review medical evidence submitted on behalf of debarred physicians to prevent fraudulent entitlement.

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PROPRIETY OF PHYSICIANS' RECEIPT OF FEDERAL PAYMENTS

I. PURPOSE

The purpose of this inspection was to determine the vulnerability of Health and Human Services (HHS) programs to physicians who are known abusers of the Medicare or Medicaid programs.

For this inspection, abusers are defined as either:

- ° physicians debarred for Medicare and or Medicaid violations; or
- ° individuals identified by the U.S. Postal Service as having suspect medical credentials; or
- ° physicians who are in default on loans from the Department.

II. BACKGROUND

The Social Security Administration (SSA) relies heavily on preexisting medical evidence and consultative examinations purchased from physicians by the State Disability Determination Service (DDS) in determining a claimant's eligibility for payments as a disabled individual. In one known instance, this determination had been made on the basis of the claimant's submission of falsified medical records attesting to a nonexistent disability. This claimant was a physician who had also been found to have committed criminal violations in the Medicare program.

Medical practitioners who engaged in criminal or abusive practices in the Medicare or Medicaid programs may be sanctioned by the Secretary of HHS from future participation in those programs. The Office of Inspector General periodically informs SSA of physicians who have been sanctioned and who should be precluded from serving as a staff or consultant physician for the State DDS. Although not previously explored, this same preclusion could apply to individuals identified by the U.S. Postal Service as having suspect medical credentials as well as to those physicians who have defaulted on education loans from the Department.

III. METHODOLOGY

Records of sanctioned physicians through December 1984 and individuals with suspect medical credentials were compared to SSA's Master Beneficiary Record and Supplemental Security Record to identify those receiving payments as disabled individuals. The disability claim folders were then reviewed to identify any with suspect medical evidence. For purposes of this inspection, suspect medical evidence is defined as:

- ° evidence that originates from a single treating physician that is unsupported by other preexisting or subsequently obtained medical evidence, such as a consultative examination; or
- ° evidence that is clearly in contradiction with other medical evidence in file.

In a second phase of this inspection, these same records, plus those pertaining to physicians who had defaulted on HHS loans, were compared to DDS records in the five States comprising the Dallas region to determine if any abuser was serving on the staff or as a consultant examiner for the DDS. This latter review was limited to the Dallas region because the State records needed for this review were only available in a paper format requiring a labor intensive manual records check.

IV. FINDINGS

This inspection revealed:

A. Abuser Receipt of Disability Payments

Of the 190 debarred physicians, 16 had applied for disability benefits. Six of these were denied and two died shortly after entitlement. Of the remaining eight cases, only the case that led to the initiation of this inspection involved the receipt of payments under fraudulent circumstances. No new cases involving suspect medical evidence were discovered.

Only two of the 165 individuals with suspect medical credentials received disability payments. Neither of these involved suspicious circumstances.

B. Abuser Involvement in the Disability Determination Process

The DDS in the five States comprising the Dallas region were free of any significant involvement by the abusers. None of the known abusers were working on the staff of the DDS or as consultative examiners. In only one instance was a physician who had defaulted on an HHS education loan discovered to have a connection with a State DDS. This connection was rather remote, in that the physician was employed by a clinic performing consultant examinations for the Louisiana State DDS.

V. CONCLUSION

Based on our review in the Dallas region no additional actions, beyond those currently in place, appear necessary to exclude abusers from the disability determination process. However, since this review was limited to the Dallas region DDS's, we cannot say with assurance that these results apply nationally.

Although no new cases of fraudulent disability payments were discovered among the 190 debarred physicians, the instant case that led to this inspection demonstrates that the disability determination process is vulnerable to manipulation by unscrupulous physicians. Physicians, by virtue of their knowledge and experience, can readily fabricate convincing evidence of a nonexistent medical condition that will (as in the instant case) satisfy SSA's requirements for a favorable disability determination. Though all medical doctors pose some degree of risk in situations where the disability determination is based on a single source of medical evidence, the sanctioned physicians would seem to pose the greatest risk since they have evidenced a diminished credibility through their actions to defraud the Medicare and Medicaid programs.

VI. RECOMMENDATIONS

The Commissioner of Social Security should:

- A. Remind State Disability Determination Services (DDS) to exclude sanctioned physicians from the disability determination process.

Distributing copies of this report to the DDS's should highlight the need for continued vigilance in excluding the sanctioned physicians from the consultative examination or staff medical consultant positions.

- B. Use the listings of sanctioned physicians to screen physician claimants for suspect medical evidence.

Instruct the State DDS's to use the listings of sanctioned physicians generated by the Office of Inspector General to identify those who are applying for disability benefits and to stringently review the medical evidence submitted in connection with such claims. Consultative examinations should be requested in cases where conflicting medical evidence has been provided or the only evidence establishing the disability originated from a single source.