Defragmenting Health Care Delivery Through Quality Reporting
Kristin Madison

in The Fragmentation of U.S. Health Care: Causes and Solutions
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One of the many factors that contribute to fragmentation in the delivery of health care services is the law. While laws hindering efforts to coordinate care take multiple forms, many share an aim of blunting problematic incentives in a world in which patients and payers are unable to assess the quality of care. Examples of such laws include licensure-related limits on the corporate practice of medicine, which may preclude direct employment of physicians; and the anti-kickback and self-referral statutes, which circumscribe potential relationships between hospitals and physicians. Private forms of regulating relationships among providers, such as hospital medical staff bylaws preserving physician independence, may also fit this mould. The recent movement to collect and disseminate information about provider quality, however, may make it reasonable to weaken these restrictions, allowing providers to engage in quality- and efficiency-enhancing integration. Payment tied to quality reporting may give them the incentive to do so.

Phantom Billing, Fake Prescriptions, and the High Cost of Medicine
Terry L. Leap

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U.S. health care is a $2.5 trillion system that accounts for more than 17 percent of the nation's GDP. It is also highly susceptible to fraud. Estimates vary, but some observers believe that as much as 10 percent of all medical billing involves some type of fraud. In 2009, New York's Medicaid fraud office recovered $283 million and obtained 148 criminal
convictions. In July 2010, the U.S. Justice Department charged nearly 100 patients, doctors, and health care executives in five states of billing the Medicare system out of more than $251 million through false claims for services that were medically unnecessary or never provided. These cases only hint at the scope of the problem. This book takes on medical fraud and its economic, psychological, and social costs. With dozens of cases, the book covers a wide variety of crimes: kickbacks, illicit referrals, overcharging and double billing, upcoding, unbundling, rent-a-patient and pill-mill schemes, insurance scams, short-pilling, off-label marketing of pharmaceuticals, and rebate scams, as well as criminal acts that enable this fraud (mail and wire fraud, conspiracy, and money laundering). After assessing the effectiveness of the federal laws designed to fight health care fraud and abuse—the anti-kickback statute, the Stark Law, the False Claims Act, HIPAA, and the food and drug laws—the book suggests a number of ways that health care providers, consumers, insurers, and federal and state officials can bring health care fraud and abuse under control, thereby reducing the overall cost of medical care in America.

The Major Health Care Fraud Laws
Terry L. Leap

in Phantom Billing, Fake Prescriptions, and the High Cost of Medicine: Health Care Fraud and What to Do about It

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This chapter discusses the major health care fraud laws in the United States. There are five laws that are specific to health care fraud and abuse: the 1972 anti-kickback statute, the Stark Law prohibiting self-referrals by physicians, the false claims statutes, the Health Insurance Portability and Accounting Act of 1996 (HIPAA), and the Federal Food, Drug and Cosmetic Act. The chapter examines each of these laws, beginning with the 1972 anti-kickback law, which prohibits the solicitation or receipt of payments—that is, kickbacks—in return for referring patients to purchase products or services paid for by Medicare, Medicaid, or other federally funded health care programs. It then considers the Stark Law, the false claims statutes that includes the False Claims Act, and the HIPAA. Finally, it evaluates the Federal Food, Drug, and Cosmetic Act.
This chapter examines qualitative changes in the form of corruption in China. It argues that, as reform deepened, the modal form of corruption in China shifted from predatory plunder or looting and primarily petty corruption to various forms of transactive corruption wherein corrupt officials “sold” favors to economic interests seeking profit-making opportunities. In broad terms, economic reforms in China have entailed the incremental transfer of control over property from the state to nonstate actors. In many instances, transferring control rights created windfall profits for those who obtained control rights. Most transfers did not ensure secure property rights, leading to a more sustained period of kickbacks and bribes rather than a tidal wave of one-time corruption. This chapter explains how the marketization of the Chinese economy led to the marketization of corruption as corrupt activity shifted outside the state apparatus and moved increasingly to the boundary between the market and the state.