

Fighting Fraud and Abuse in Substance Use Treatment with Better Oversight

Substance Use Disorder (SUD) remains one of the most urgent health crises of our time, claiming more than 90,000 lives each year.¹ The opioid epidemic has created an urgent and unprecedented demand for SUD treatment.

This epidemic has driven a surge in demand for evidence-based SUD treatment. However, alongside this growth, opportunistic actors have exploited the system. There have been documented cases of **billing for unnecessary tests, upcoding for more complex procedures** than actually performed, and even waiving deductibles or copays to lure patients to specific centers—regardless of clinical need. In some instances, when bad actors are shut down, they reemerge under new names.

Without scalable, data-driven oversight, payers are **forced to choose between approving care rife with abusive billing practices or creating administrative safeguards that delay treatment.**

¹Drug Abuse Statistics. (2025). Drug overdose deaths. Retrieved August 5, 2025, from <https://drugabusestatistics.org/drug-overdose-deaths/>

**536 BILLION
DOLLARS**

The societal costs
of substance use
disorder per year

**34 BILLION
DOLLARS**

The value of the
substance use
disorder treatment
sector in 2020

**6 BILLION
DOLLARS**

DOJ charges filed
in 2020 for false or
fraudulent opioid-
related claims

**That's where
we come in.**

Onos Health is an automated monitoring platform designed to detect and prevent waste in real time, ensuring that care is always clinically appropriate, high-quality, and cost-effective.

Health Policy Institute, Georgetown University. (n.d.). Substance abuse and misuse. Retrieved August 5, 2025, from <https://hpi.georgetown.edu/abuse/>

Farmer, A. Y., Wei, Y., Gilmore Powell, K., Treitler, P., Killawi, A., Lardier, D., ... Peterson, N. A. (2022, June 29). Knowledge of predatory practices within the substance use disorder treatment industry: Development of a measurement instrument. *International Journal of Environmental Research and Public Health*, 19(13), 7980. <https://doi.org/10.3390/ijerph19137980>

Closing the Waste Loop without Compromising Care

When a large regional employer saw a surge in overdose deaths, they expanded coverage for evidence-based SUD treatment for employees.

However, within months, a cluster of treatment centers was at the center of exploding costs in the SUD space. Worse still, when one of the centers was shut down by the state health authorities, the same bad actors showed up billing SUD claims at a new center in the next county. The payer wanted to do right by their population struggling with SUD, but knew they needed to rein in the opportunistic players and ensure members received high-quality care that would give them their lives back.

That's where Onos Health stepped in.

Using our HIPAA-compliant behavioral health monitoring platform, the payer now had a full view of their SUD population, translating clinical standards and plan policies into automated oversight. The platform flagged suspicious billing patterns, identified providers with consistently poor outcomes, and triggered referrals to Program Integrity teams for swift action.

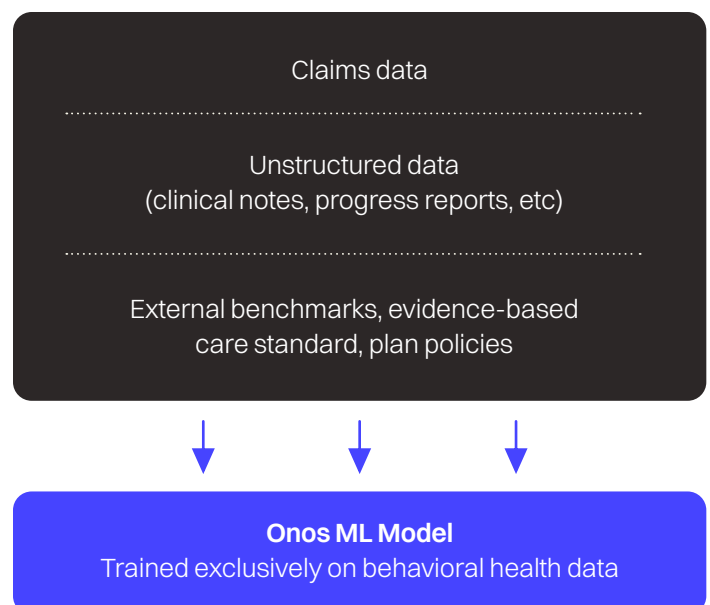
When a provider submits clinical documents like progress notes or discharge summaries, Onos automatically reviews the data to extract benchmarks and observations. These are compared against evidence-based treatment standards and payer policies. If care does not align with clinical treatment standards—or there are suspicious spikes in billing—the platform flags the case for review.

Simultaneously, if a member receiving quality treatment does not show significant clinical progress over time,

Onos makes recommendations to the provider based on established clinical best practices. By automating what was once a manual procedure, Onos enabled the health plan to monitor their entire SUD population more effectively, lowering administrative burdens and identifying potential fraud and abuse early.

THE ONOS IMPACT

- Reduced detection-to-action time from weeks to days
- Proactive detection of high-risk fraudulent & abusive outpatient centers
- Maintained uninterrupted treatment for members by redirecting to trusted, evidence-based providers



This case study is a fictional example, informed by real client challenges and representative use cases of the Onos platform.

The Measurable Impact of Onos

35%
**IMPROVEMENT IN
CLINICAL STANDARD
ADHERENCE**

Reported by behavioral
health clinical teams

40-50%
**IMPROVEMENT
IN EFFICIENCY**

Reported by behavioral
health clinical and
admin teams

4-5%
**REDUCTION OF
CLINICAL SPEND**

By detecting
actionable waste
and streamlining
intervention

With Onos, payers can be confident that members receive high-quality, evidence-based treatment for substance use disorder.