



Informed Consumers

How health care fraud has changed in the electronic age

In the electronic age, fraud is a major concern. As consumers become more engaged in making informed health care decisions, health care fraud has evolved. Your employees' understanding and concerns about fraud needs to evolve as well.

“Nearly every aspect of life can be conducted online and is susceptible to hacking and theft. The health care industry is shifting toward more web-based services, such as telehealth. More online services provide more opportunities for criminals,” says Howard Levinson, DC, CFE, AHFI, clinical fraud director, Special Investigations Unit, at Anthem, Inc.

What fraud are you seeing in health care?

The majority of health care providers submit their claims for payment electronically. More than 1 billion claims are submitted annually to Medicare. Private payers process hundreds of thousands of claims on a daily basis. For the most part, that volume is handled by sophisticated computer software, and in many cases a human eye never sees it.

Fraudsters can generate claims for fictitious patients just by entering data into billing software. They can submit claims for services that were never rendered. Unscrupulous providers, who know a service wouldn't be covered, may purposefully enter incorrect data. For example, a large sports medicine practice was aware a certain joint injection wasn't covered by a health plan. In order to have the treatment paid by the plan, however, the provider submitted an alternate code for a service that was covered. The plan's investigators discovered the scheme during an audit. The overpayment for the miscoded service was nearly \$1 million.

In addition, the Affordable Care Act (ACA) mandated electronic medical records (EMR) as the standard. EMRs have proven effective and efficient in documenting patient care but have also created opportunities for fraud. An unscrupulous provider can cut and paste patient visit information that isn't timely or accurate, or create an entirely fictitious EMR to submit as a claim for payment.

Investigators are challenged by the time it takes to identify fraudulent records. They must review individual records to compare visit information and look for potential duplicates or cloned information. If suspicious information is detected, the investigator then must interview patients, physicians and their staff.

Also, the audit function of most EMR systems keeps track of all patient visit entries, entry changes and every time someone accesses that EMR. While this function helps identify potentially cloned or copied patient visits, lab findings or symptom descriptions, some programs don't have an audit function or the provider can turn it off.

How can employers help minimize the risks?

Employers should educate their employees about health care fraud, waste and abuse. Federal and state agencies offer educational materials and services, so tap into these and make them readily available to employees.

Employers should ensure their network and systems are secure and adhere to the latest security guidelines. Require company-wide education on computer and mobile security standards and advocate for the use of strong, regularly updated passwords.

Also, educate employees on potential scams such as phishing emails, online pop-up ads or links that seem legitimate but have attachments that shouldn't be opened.

What are other best practices?

Employees should take the same safety measures they would with their financial information. Also, they should be suspicious of anyone offering anything in exchange for personal and health care information, such as free medical equipment, whether via an unsolicited phone call or what appears to be a legitimate television ad.

They should review all medical bills, Medicare summary notices and explanation of benefits to make sure the medical services listed were received and are being accurately billed. If unusual or questionable charges appear, they should contact their health care provider or health benefits plan.

Criminals are targeting health care and their methods are getting more sophisticated and complex. Make sure you educate your employees on the potential tactics used by criminals and the high cost of fraud, waste and abuse in the health care industry.

