



## Turning up the heat on fraud – volume 3 Preventative measures help protect benefit plans

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With cost management a prominent issue for many plan sponsors, protecting benefit dollars from fraud and misuse is critical. When improper claims are made, whether through insurance fraud or benefit plan misuse, the effects are felt by plan members and plan sponsors. Great-West Life's commitment to manage benefit fraud and misuse can help control plan costs.

Great-West has initiated a fraud awareness campaign called *Turning up the heat on fraud*. The campaign outlines the steps Great-West is taking to help prevent fraud and benefit misuse and increases overall understanding of the impact these can have on a benefit plan.

In *Turning up the heat – volume 1*: March 2008, we explained how our provider maintenance unit operates. In *Turning up the heat – volume 2*: May 2008, we discussed the state-of-the-art fraud detection technology used by Great-West. A component of this technology is called *predictive analytics* – advanced technology that interprets health and dental claim data. It is used to identify claims with characteristics that may indicate fraud or misuse of benefits.

Plan sponsors can also play a role in protecting their benefit plan from fraud and misuse.

### What's the difference: Fraud and Misuse

Since many plan members are unaware of what constitutes fraud and misuse of benefit plans, we encourage open communication with plan members.

It is helpful for plan sponsors and plan members to understand the difference between fraud and misuse. Both are inappropriate. Fraud is a serious and illegal offence. Misuse of benefit plans occurs when claims are made that are inappropriate or excessive for the condition being treated, but there is no intent to defraud. While misusing a benefit plan is not a criminal offence, it is still considered serious. Great-West takes steps to identify misuse and help prevent its occurrence.

Great-West offers resources to help increase awareness of fraud and benefit misuse. Contact your group representative to obtain coffee room posters and informative payroll stuffers. These tools can help get the conversation started with plan members about the risks and costs associated with fraud and benefit misuse.

On the payroll stuffer and poster, plan members who suspect fraud are encouraged to contact Great-West through a private tip line – 866-810-8477 (TIPS) or [confide@gwl.ca](mailto:confide@gwl.ca). Misuse can also be reported. As well, plan members are reminded of some simple steps they can take to help protect their benefit plan.

These include:

- Rejecting receipts for services or supplies they have not received
- Completing all of the information required on claim forms accurately
- Only signing completed claim forms once a service has been rendered
- Never leaving signed blank claim forms

There are also actions plan sponsors can take to help prevent fraud and misuse of benefits.

Consider:

- Maintaining communication with plan members
- Careful plan design with clear maximums (for example, contract wording that sets limits for necessary medical purchases)

## Preventing misfiling

Another reason for open communication is to create an understanding of the benefit coverage available. In some cases, when plan members or providers are unaware of the coverage provisions in their plan, they submit claims for services or supplies that are ineligible. This is referred to as “misfiling.”

Great-West helps safeguard benefit plans from misfiling through a number of measures. A few of these examples include:

- A contact centre, website and information booklets that help explain benefit plan coverage
- Maintenance of comprehensive dental records, which helps prevent the resubmission of dental claims for services or supplies that have been provided
- Co-ordination of benefits, which helps ensure that the appropriate insurance carrier is designated first payer

- Maintenance of drug price files, which helps ensure reasonable and customary pricing for pharmaceuticals

## Putting it all together

Fraud and misuse management programs, as well as solid claims management to prevent misfiling, help ensure all plan members are treated fairly; they also help control exposure to unnecessary cost. Calculating the total impact of these programs can be open to interpretation.

For instance, deterrence is a critical component of benefit protection. Just as the security features imprinted on bank notes make them difficult to counterfeit, stringent fraud management and prevention practices can help deter those who might otherwise commit fraud or misuse benefits.

Without these fraud, misuse, and misfiling prevention measures, it's estimated that claims to a benefits program could increase by as much as 25 per cent.

At the same time, it's known that the added value of the programs is made possible through the detailed information collected and examined. This is where the value of accurate records, technology and processes comes into play, since the difference between a program that works, and one that works well, is in the details.

## Taking a bite out of crime

Great-West's multiple safeguards help protect your benefit plan from claims that may not be legitimate. Take, for example, a dental claim that was recently identified as potentially fraudulent.

Great-West maintains comprehensive dental records in its database for every plan member who has submitted dental claims.

A claim was submitted for a crown on a right upper molar. According to the records the right upper molar for this individual had already been extracted, so we investigated further.

After contacting the dentist's office to confirm which tooth the crown was for, the claim was forwarded to the Detection and Prevention Unit. After reviewing the treatment records and dental x-rays and contacting the dentist, charges were laid against the dental receptionist for submitting a false claim.

## Case study

Great-West's systems integrate plan design, eligibility and prior claims history in real time. For example, when a claim is submitted for a child's dental filling, our systems can answer, in real time:

- Is the member eligible?
- Does the child have access and coverage through an alternate plan (mom or dad) and, if so, which plan is first payer?
- Has the tooth been filled before and, if so, how long ago?
- Is the fee charged consistent with the dentist's provincial fee guide and is the service eligible under the plan?
- Is the dentist on the watch list? For example, does the dentist have a higher-than-average incidence of performing fillings?

Great-West's fraud and misuse management programs are an unfortunate necessity in today's world. By Turning up the heat, Great-West helps place your benefit plan behind a firewall of security 24 hours a day, seven days a week.

## Did you know?

- Of the seven million plan members and dependants in our eligibility files, and for those who have received dental benefits, we have detailed dental records. These records provide us with information needed to help prevent duplicate payment for services.
- Of our plan members with family coverage, approximately 15 per cent co-ordinate their benefits with a spouse's plan. When both plan members have Great-West benefits, co-ordination of payment is simplified and streamlined; only one claim form is required.
- Great-West's fraud and misuse management programs monitor and investigate all of Great-West's group benefit plans including administrative services only, insured and health care spending accounts.

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