



# INSIGHTS

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## FRAUD FACTS

*Various estimates indicate that 2-10% of every health care dollar in North America is lost to fraud.*

*Based on health care costs related fraud could surpass \$12 billion annually.*

*These figures represent enough money to:*

- a) drastically revitalize Canadian medicare, and
- b) purchase more than 3000 MRI machines.

## Working Together to Prevent Fraud

None of us want to be taken advantage of, and when we are, it's difficult to forgive and forget.

As insurance companies look for ways to improve their turnaround times for health and dental claims, some have decided to accept non drug claims such as paramedicals electronically. Clear, legible claims are now being accepted from faxes, scanners, and cell phones. Initially I thought this was a good thing, but now I'm not so sure.

I'm now asking myself, "Has the increase in online claiming positively or negatively affected group insurance fraud?" Will this new claiming channel cause plan members to misuse, abuse, or overuse their benefits?

Fraudulent activity appears to be on the rise, and my fear is that as individuals become more comfortable with online transactions, some may find it more palatable, and easier to submit false ones.

However, 'fraudsters' need to know that increased online claiming brings a greater ability for providers to automate the processes for red flagging, researching and tracking of unusual claim activity. This has caused insurers to expand and modify the ways in which they review data for inconsistencies, and system improvements have allowed for more automated claim processing, thereby enabling investigative teams to constantly define and refine system rules so concerning patterns and trends are spotted more quickly.

Insurance teams dedicated to catching and reducing fraud have had to adapt their skill sets as a result of online claiming. Automated analysis and tracking of online claims offers insurers a higher degree of, and easier access to collected data. Insurers are able to drill down with greater precision for deeper data analysis. From there, they can insert additional rules to 'red' flag questionable claims and collect evidence to support allegations of fraud or abuse. But before they can do that, the investigative teams and software developers need to know what they are looking for and how to go about spotting these inconsistencies, before they can write the new rule.

We can all assist with benefit fraud. Plan sponsors, plan members and advisors need to work together. Benefits fraud comes in several forms, including fraudulent claims for health services and disability fraud, targeting both employer-sponsored disability insurance and worker's compensation benefits. These schemes include some or all of the following characteristics:

- Claims for services not actually rendered
- Providers performing services outside of their scope of practice or licensing
- Unlicensed individuals performing insurable services
- Providing treatment that is over and above what is needed by the patient
- Kickbacks or illegal referral payments



**Educate employees to understand the cost of fraud to themselves**

Schemes can have many variations. For example, one employee was caught manufacturing claims for himself and his spouse. Once he realized that he could print fake receipts, he began to do this on a regular basis, until he was caught. A claim adjudicator noticed similar patterns among claims submitted to different providers. Careful examination showed these claims were all prepared by the same person and were all fraudulent. Further examination found that the employee was working to maximize his return by coordinating benefits across multiple insurers.

Fraud comes in many forms. It can be committed by medical service providers who bill for services that are not medically necessary, services that are not rendered or for amounts that are higher than those actually performed. These fraudulent activities can occur with or without the assistance of the patient, and in some instances the parties are joint participants with the patient receiving a kickback, or other benefit from the provider.

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## Not Just for Summer...

### 5 Surprising Health Benefits of Avocados

***Avocados are packed with disease-fighting antioxidants. Find out how eating this delicious food will benefit your health all year long.***



#### 1. Avocados are packed with carotenoids

Avocados are a great source of lutein, a carotenoid that works as an antioxidant and helps protect against eye disease. They also contain the related carotenoids zeaxanthin, alpha-carotene and beta-carotene, as well as tocopherol (vitamin E).

But avocados aren't just a rich source of carotenoids by themselves - they also help you get more of these nutrients from other foods. Carotenoids are lipophilic (soluble in fat, not water), so eating carotenoid-packed foods like fruits and vegetables along with monounsaturated-fat-rich avocados helps your body absorb the carotenoids. An easy way to do this is to add sliced avocado to a mixed salad.

#### 2. Avocados can help you lose weight

Half an avocado contains 3.4 grams of fibre, including soluble and insoluble, both of which your body needs to keep the digestive system running smoothly. Plus, soluble fibre slows the breakdown of carbohydrates in your body, helping you feel full for longer.

Avocados also contain oleic acid, a fat that activates the part of your brain that makes you feel full. Healthier unsaturated fats containing oleic acid have been shown to produce a greater feeling of satiety than less-healthy saturated fats and trans fats found in processed foods.

#### 3. Avocados can help stabilize blood sugar

Rich, creamy, and packed with beneficial monounsaturated fat, avocado slows digestion and helps keep blood sugar from spiking after a meal. A diet high in good fats may even help reverse insulin resistance, which translates to steadier blood sugar long-term. Try putting mashed avocado on sandwiches instead of mayonnaise or on bread instead of butter. To keep what's left over from turning brown, spritz the flesh with cooking spray or coat with lemon juice and wrap in plastic.

#### 4. Avocados can protect your unborn baby - and your heart

One cup of avocado provides almost a quarter of your recommended daily intake of folate, a vitamin which cuts the risk of birth defects. If you're pregnant - or planning to be - avocados will help protect your unborn baby.

A high folate intake is also associated with a lower risk of heart attacks and heart disease. Does your family have a history of heart problems, or do you have risk factors (such as being overweight or smoking) for heart disease? Avocados could help keep your heart healthy.

#### 5. Avocados can help lower your cholesterol

As well as increasing feelings of fullness, the oleic acid in avocados can help reduce cholesterol levels. In one study, individuals eating an avocado-rich diet had a significant decrease in total cholesterol levels, including a decrease in LDL cholesterol. Their levels of HDL cholesterol (the healthy type) increased by 11 percent.

High cholesterol is one of the main risk factors for heart disease. The cholesterol-lowering properties of avocado, along with its folate content, help keep your heart healthy.



Source: Sympatico.ca/Best Health May 2012

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So what should business owners, employees and insurers do? Be proactive. Take active steps to prevent it from happening. Educate employees to understand the cost of fraud to themselves in higher premiums, higher co-pays/deductibles, or potentially the cancellation of the plan because it is no longer affordable due to high claims. Every plan member is responsible for positively managing their own health care dollars. They need to verify the accuracy of all Explanation of Benefit statements for health treatments they receive, and to immediately report any discrepancies between the service or products they receive and what was billed. Most insurance companies use some type of anonymous tip-reporting mechanism, usually by phone or online. Employers need to make the presence of these services known and to encourage members to use them when it's appropriate.

The best way to reduce fraud is to talk about it. Plan sponsors and advisors can help by providing information about anti-fraud policies. Having clear policies and guidelines on the appropriate utilization of benefits, and taking steps to raise the awareness of the cost of the problem, as well as the consequences of committing theft need to be understood.

We all know that theft is a crime. We may not have made the connection that exaggerating an illness to collect additional disability benefits, or doctor shopping to obtain multiple drug prescriptions, or not reporting that formerly dependent children who cease to qualify under the terms of the plan is stealing, but it is.

Plan sponsors are acutely aware of the rising costs of providing employee benefits. Reducing illegitimate claims is in everyone's best interest. Being vigilant about protecting your plan from fraud, and paying for only those claims that your contract instructs us to pay is what RWAM does.

Until next time...

RWAM Insurance Administrators are active members of the Canadian Health Care Anti-Fraud Association.