



Willis

WILLIS HUMAN CAPITAL & BENEFITS PRACTICE

HEALTHCARE FRAUD, WASTE AND ABUSE

Know It | Prevent It | Report It

Were you asked to sign two or more claim forms rather than one?

Were you asked to sign a blank claim form?

Did you notice a false or inflated diagnosis on your claim form?

Were you recommended investigations that you felt were not required?

Were you asked to provide your medical card details when you went as a cash-payee?

Did you get a special discount on an excluded condition/treatment in return for providing your medical card details?

Were you offered a waiver on your deductible or co-pay?

Did your doctor/pharmacist manage to get excluded conditions/items covered by your insurer as a special case?

Have you ever considered reading your “Explanation of Benefits” and confirming that it is correct?

Do you know someone who visits the emergency frequently for “minor” health problems?

Do you know someone who “shops around” to find the best doctor in town?

Do you know someone who has forged a doctor’s prescription?

The rising costs of health care services and insurance premiums continue to be a major source of concern for employers, workers, patients and governments. This can be principally attributed to a mix of technological and pharmacological advances raising health services fees, the increased prevalence of chronic and lifestyle diseases and high utilization of policies forcing health insurers to increase their premiums.

Between November 2013 and January 2014, Towers Watson surveyed 173 leading medical insurers operating in 58 countries. Respondents were asked about factors driving medical costs.

What are the three most significant factors driving medical costs (employee or provider behavior)?



HEALTHCARE FRAUD, WASTE AND ABUSE IS A SERIOUS AND PERVASIVE PROBLEM IN ALL HEALTHCARE SYSTEMS THAT LEADS TO FINANCIAL LOSSES NOT JUST FOR THE INSURER BUT ALSO FOR EMPLOYERS AND CONSUMERS IN THE FORM OF INFLATED CLAIMS ON THEIR POLICIES.

Fraud is the intentional act of deceiving, concealing, or misrepresenting information that results in healthcare benefits being paid to an individual or group.

Waste is overutilization of services or other practices that, directly or indirectly, result in unnecessary costs to the healthcare system.

Abuse is engagement in practices that are inconsistent with professional standards of care, medical necessity, or sound fiscal, business or medical practices.

FACTS

- ▶ Healthcare fraud is about 100 times bigger than fraud in financial services, yet the industry spends only one-tenth as much to battle fraud today.
- ▶ The world is losing USD 487 billion to Healthcare fraud and error annually.
- ▶ Global average losses due to fraud and error within the healthcare sector have risen by 25% since 2008.
- ▶ Middle East is losing more than AED 3.67 billion (USD 1 billion) on health insurance fraud and abuse, while accounting for 30% of all health insurance spending.
- ▶ UAE Authorities estimate around 5% of paid claims are a result of abuse or fraud and are pushing up the cost of insurance premiums by nearly 20 to 30%.
- ▶ In both Bahrain and Oman, health insurance premiums are expected to rise by 10 to 20% next year.
- ▶ Saudi Arabia estimates a premium rise of as much as 10% as insurers battle with the ongoing problem of fake claims and falling profits.
- ▶ Health insurance companies in Saudi Arabia are losing up to USD 320 million a year, or 15% of annual revenues, to fraudulent claims and hospitals misusing insurance card holders' identities.
- ▶ Official figures from Kuwait Civil Service Commission found that public-sector employees have claimed more than 120,000 sick days during the Holy Month of Ramadan and in the four days immediately after the Eid Al Fitr holiday, leaving the state with a bill of over USD 11m in lost productivity.

At Willis we believe that the majority of health care professionals and consumers are honest and act with integrity; however like any other industry; there are a few people who cheat the healthcare system to gain money or benefits they are not entitled to. Detection and prevention of these practices remains increasingly important in the effort to keep healthcare expenditures within reasonable limits.

Willis is therefore keen to protect our clients' money, health and welfare by educating them to combat healthcare fraud, waste and abuse.

Willis Three Actions Slogan "Know it, Prevent it, Report it" is aimed at creating awareness amongst our clients, of this social crime and its impacts. Our mission is to educate our clients on preventing and reporting it.

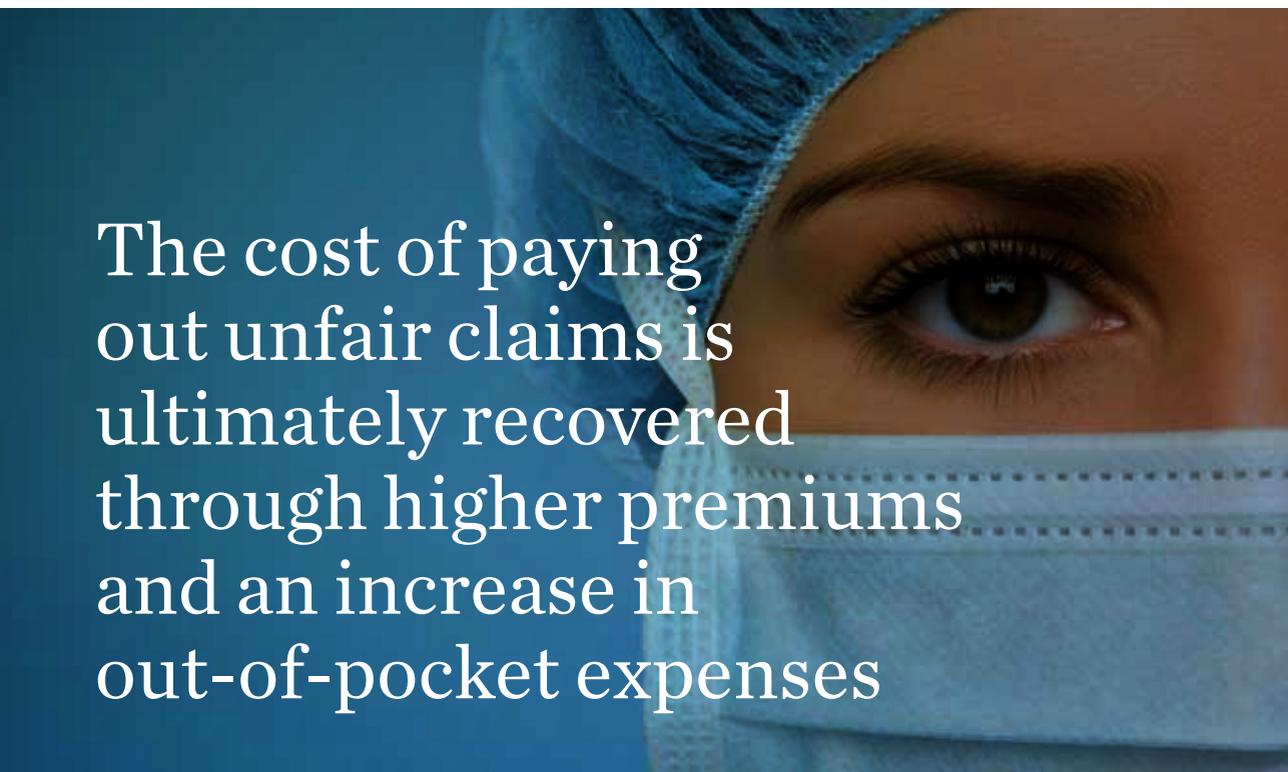
Healthcare Fraud, Waste and Abuse
Know It | Prevent It | Report It

EXAMPLES OF PROVIDER DRIVEN FRAUD, WASTE AND ABUSE

- ▶ Billing for services that were never rendered.
- ▶ Billing for services that were not completed – commonly seen in treatments done in more than one session, e.g. physiotherapy sessions.
- ▶ “Up coding” – Falsely billing for a higher-priced treatment than actually provided.
- ▶ “Unbundling” – Billing each step of a procedure as separate to get higher payments from the insurer.
- ▶ Billing for branded drugs when generics were dispensed.
- ▶ Billing multiple payers for the same service.
- ▶ Not applying negotiated prices when billing the insurer.
- ▶ Intentionally submitting duplicate claims.
- ▶ Performing medically unnecessary services.
- ▶ Falsifying a patient’s diagnosis to justify tests, surgeries or other procedures that are not medically necessary.
- ▶ Misrepresenting non-covered treatments as medically necessary covered treatments.
- ▶ Accepting kickbacks for patient referrals.
- ▶ Waiving patient out-of-pocket expense (deductibles and co-pay) and over-billing the insurer.
- ▶ Billing a patient for more than deductible or co-pay amount.
- ▶ Substituting prescribed medications with non-prescribed or excluded items (e.g. dispensing cosmetics instead of medicine).
- ▶ Prescription or Signature forgery.
- ▶ Issuing false sick leave certificates.

EXAMPLES OF MEMBER DRIVEN FRAUD, WASTE AND ABUSE

- ▶ “Identity Theft” - using ID card that belongs to someone else.
- ▶ “Doctor shopping” - visiting several doctors to obtain multiple prescriptions.
- ▶ Concealing information about past medical history.
- ▶ Adding a non-eligible family member to the policy.
- ▶ Failing to remove someone from a policy when that person is no longer eligible.
- ▶ Filing false claims for services or medications not received.
- ▶ Forging or altering bills or receipts.



The cost of paying
out unfair claims is
ultimately recovered
through higher premiums
and an increase in
out-of-pocket expenses

HOW IT IMPACTS YOU

Increased Premiums

An inflated claims history will directly increase your rating and corresponding premium amounts. As rates increase, there is pressure on employers to increase your out-of-pocket expenses, as well as to cut back on benefits. You will see a year on year increase in deductibles and co-payments and/or a reduction in benefits that you used to have.

Physical Risk

Healthcare fraud and abuse deliberately subjects trusting patients like you, to unnecessary medical procedures that are painful, distressing and can threaten your health and life.

Theft of Your Finite Health Insurance Benefits

Your policy might have annual caps or other limits on benefits. So every time a false or exaggerated claim is paid in your name, a part of your limit gets deducted. This means that when you legitimately need your insurance benefits the most, they may have already been exhausted by worthless and unnecessary treatments.

False Medical Records

In an attempt to submit false insurance claims for payment, defrauders enter into their medical records conditions you do not have, or more severe conditions than you actually suffer from. These phony or inflated diagnoses become part of your documented medical history. You may receive wrong medical treatment, find that your health insurance benefits have been exhausted, and are at risk of becoming uninsurable for both life and health insurance.

Health Fraud Penalties

Fraud is a criminal offence and can result in loss of health care coverage and/or criminal penalties.

HOW YOU CAN HELP

To combat fraud and abuse, you need to know what to watch for to protect yourself, your employer and the healthcare system from its affects.

- ▶ Protect your health insurance card.
- ▶ Report any lost or stolen cards immediately.
- ▶ Never sign on empty or incomplete claim forms.
- ▶ Never sign on more than one claim form per doctor visit.
- ▶ Inform your insurer of any services that were not undertaken or completed after the insurer's pre-authorization.
- ▶ Alert your insurer if a provider offers to waive your co-payment or deductible.
- ▶ Alert your insurer if a provider offers to bill the insurer for an uncovered service.
- ▶ Beware of "free" offers. These are often fraudulent schemes to obtain your personal information or to bill insurers for treatments not rendered.
- ▶ Always ask questions and get answers. You have the right to know every detail about your illness and the treatment prescribed for it.
- ▶ Know what your policy benefits are; what is covered and what is not.
- ▶ Be informed about the health care services you receive and keep good records of your medical care.
- ▶ Review your Explanation of Benefits ("EOB") when you receive it. Inform your insurer if any inflated, false or duplicate billing is noticed.

Report fraud and abuse. Contact your insurer or your local Health Regulator immediately if healthcare fraud, waste and abuse are suspected, observed or discovered.

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