



Benefits Fraud - an "intelligent" response

Canadian Pension & Benefits Institute – Calgary
Professional Development Day

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Sun Life Financial

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What's an intelligence led anti-fraud strategy?

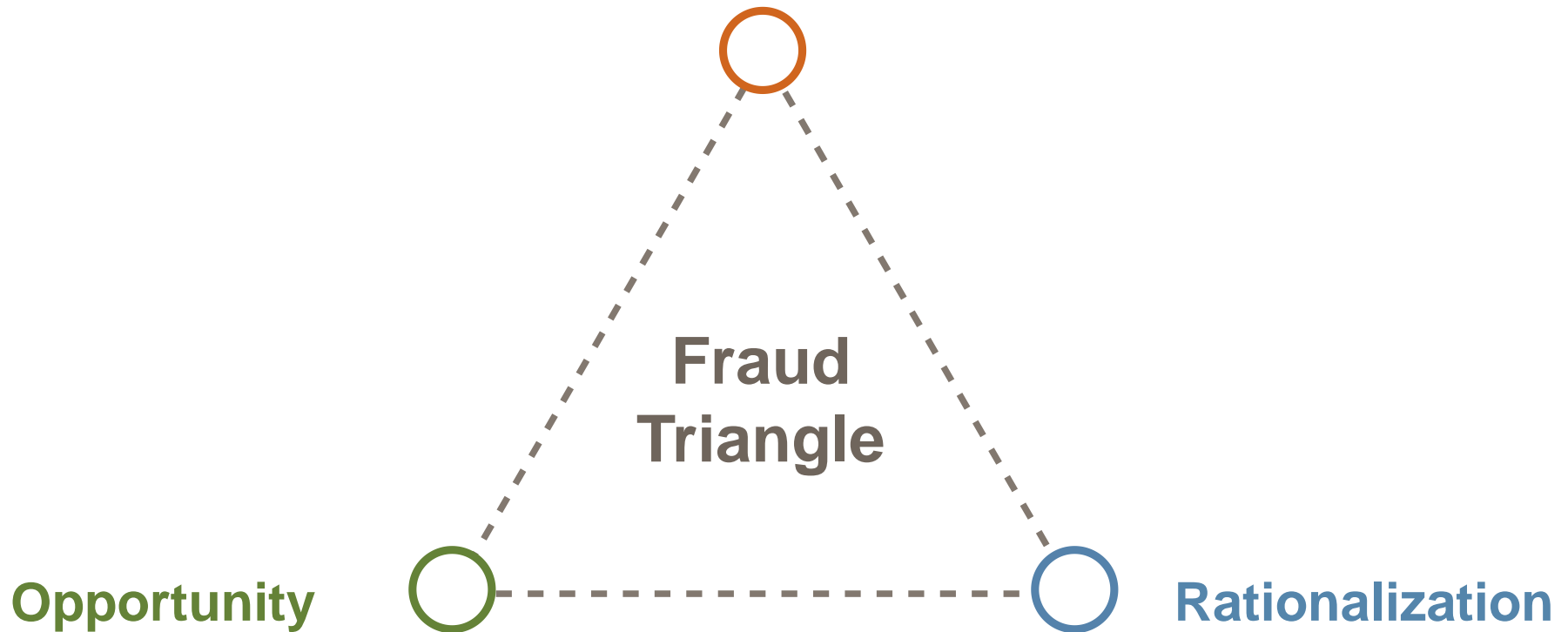


providers
analytics
models
secret risk
members
financing
collate
surveillance
monitoring
terrorist
disseminate
management
predictive
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information
profiling
crime
organized

Why People Commit Fraud



Motivation



Fraud – a big issue



- Fraud in group benefits has never been a more urgent issue
- Estimate industry fraud could be up to \$6 billion annually
- Increasingly complex and rapidly changing world of fraud management
- “Big data” and technology advancements are important tools

Diversity of Skills on a Team



Important to have a team with diverse skills and experience

- Dental office administration
- Ex-law enforcement
- Pharmacy experience
- Medical equipment and supplies experience
- Practicing Dental, Medical, paramedical experts
- Legal, Compliance, Privacy
- Claims operations
- Intelligence Analysts
- Data analytics

The Fraud Risk Management Unit



Investigations Unit

Provider Profiling

Indiv. Investigations

Major Case Mngt

Intelligence Unit

Triage

Web Controls

Intelligence Analysis

Best Practice & Governance

Best Practices

Risk Governance

Post-incident Analysis

Types of Reports



Investigative	Intelligence
Report is evidentiary in nature	Provides advance notice
Presents information that, when taken as a whole, satisfies elements of proof of a past criminal offence	Prosecution is not the main objective
Report must fact-specific without opinion or amplification	Intended to direct organizations toward potential criminal activities that require focused investigations, or alert them to future threats requiring tactical responses
Manner in which information is gathered must meet a high standard to help further a criminal prosecution	Cannot be expected to meet rigorous standards for formal investigative reporting

Who Commits Fraud



- Service Providers
- Clinics
- Plan Members
- Collusion



Service Provider Fraud



- Unnecessary treatments/products
- Services/products billed but not provided
- Receipts for members or dependents who didn't receive services
- Kickbacks
- Member info gained to switch bank accounts
- Receipts don't reflect service/product received

Dr. [Name] suspended for six months by Ontario's Royal College of Dental Surgeons

Sarnia Observer
2013 5:12:57 EST PM

Company Name

INVOICE # 00-000000

MAILING INFO
Street Address
City, ST ZIP
Phone: (000) 000-0000
Fax: (000) 000-0000

RECEIPT

DATE 6/24/2013

DESCRIPTION

Therapeutic Massage

PAID

DESCRIPTION	AMOUNT
	145.12
	375.00

OTHER COMMENTS
1. Total payment due in 30 days
2. Please include the invoice number on your check

Thank You For Your Business!

BUSTOTAL	\$	620.12
TAXRATE		0.0000%
TAX	\$	-
SEH	\$	-
DISCOUNT	\$	(60.00)
TOTAL	\$	470.12

Make all checks payable to:
Your Company Name



A Sarnia dentist is facing a six-month suspension after being found guilty of several professional offences.

A panel with The Royal College of Dental Surgeons of Ontario found [Name] guilty Nov. 1 of recommending or providing an unnecessary dental service; charging excessive or unreasonable fees; ordering, delegating or assigning an unqualified person to perform an intraoral procedure; and disgraceful, dishonourable, unprofessional or unethical conduct.

Source: Used with permission of "Sarnia Observer"

Clinic Schemes



- Unlicensed practitioner performs service; clinic bills under a licensed practitioner
- Identity theft of licensed providers
- Name/credentials stolen during job interviews
- Fake facilities
- Bank your benefits



The website used to read “Ask about our “Bank Your Benefits” Program”. They changed it after we were in contact with them

“pay me \$250 now, I'll give you a receipt for your insurance company, and when you retire - you'll have a credit on your account.”



Plan Member Schemes



- Submit fabricated/altered claims
- Forged doctor's prescriptions or reports
- Doctor shopping – narcotics
- Submit claims paid by other benefits or government plans
- Adding fictitious or ineligible dependents



- Fake hospital claims
- Altered bank draft
- Forged birth certificates
- Fabricated dependents



Collusion



- Two or more parties
- Substitute products/services
- False receipts for share of proceeds
- Excessive/unreasonable claim volumes
- Organized crime and large network schemes
- Difficult and lengthy to investigate

Medical & Dental Provider Profiling



Specialized team profiles medical providers

- Intelligence led proactive strategy
- Data analytics applied to identify irregular patterns
- Focus on fraudulent providers/facilities
- Various investigative techniques to gather info
- Delist of providers/facilities

On Site Visits



No clients

Massage table used as desk



~12' x 12' room
2 treatment tables, 2 staff

Investigations – What's in a Picture



Client A



Client B



Client C



Source: Sun Life files

Medical Provider Profiling



Advantages

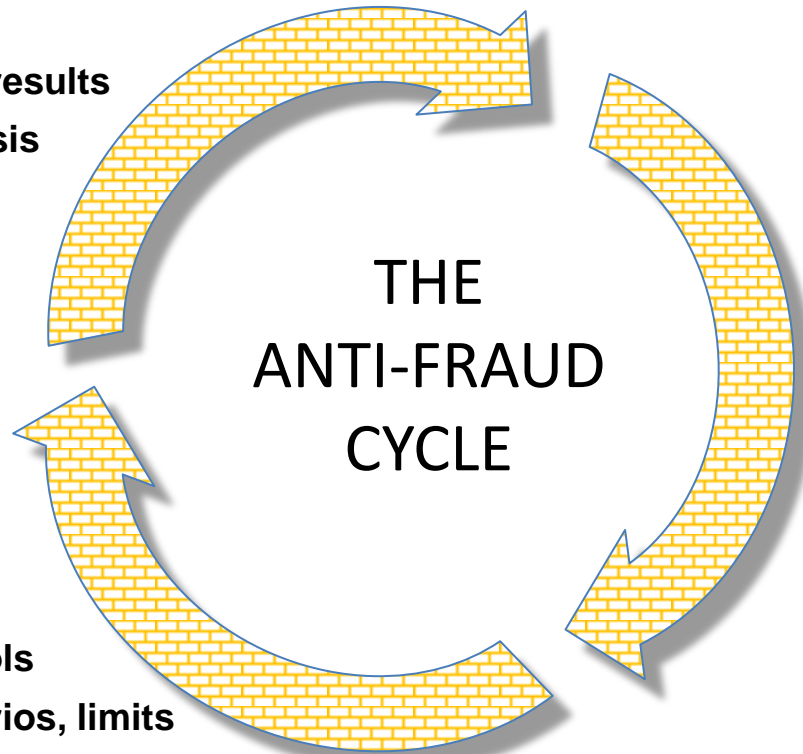
- Fast, significant impact
- Quickly stops losses
- Practitioners face stricter scrutiny
- Effective where collusion involved and burden of proof not confirmed
- Deterrent effect
- Maintains integrity of plan

Ongoing Monitoring & Changes



RISK ASSESSMENT

Investigation & audit results
Data & process analysis
Industry forums

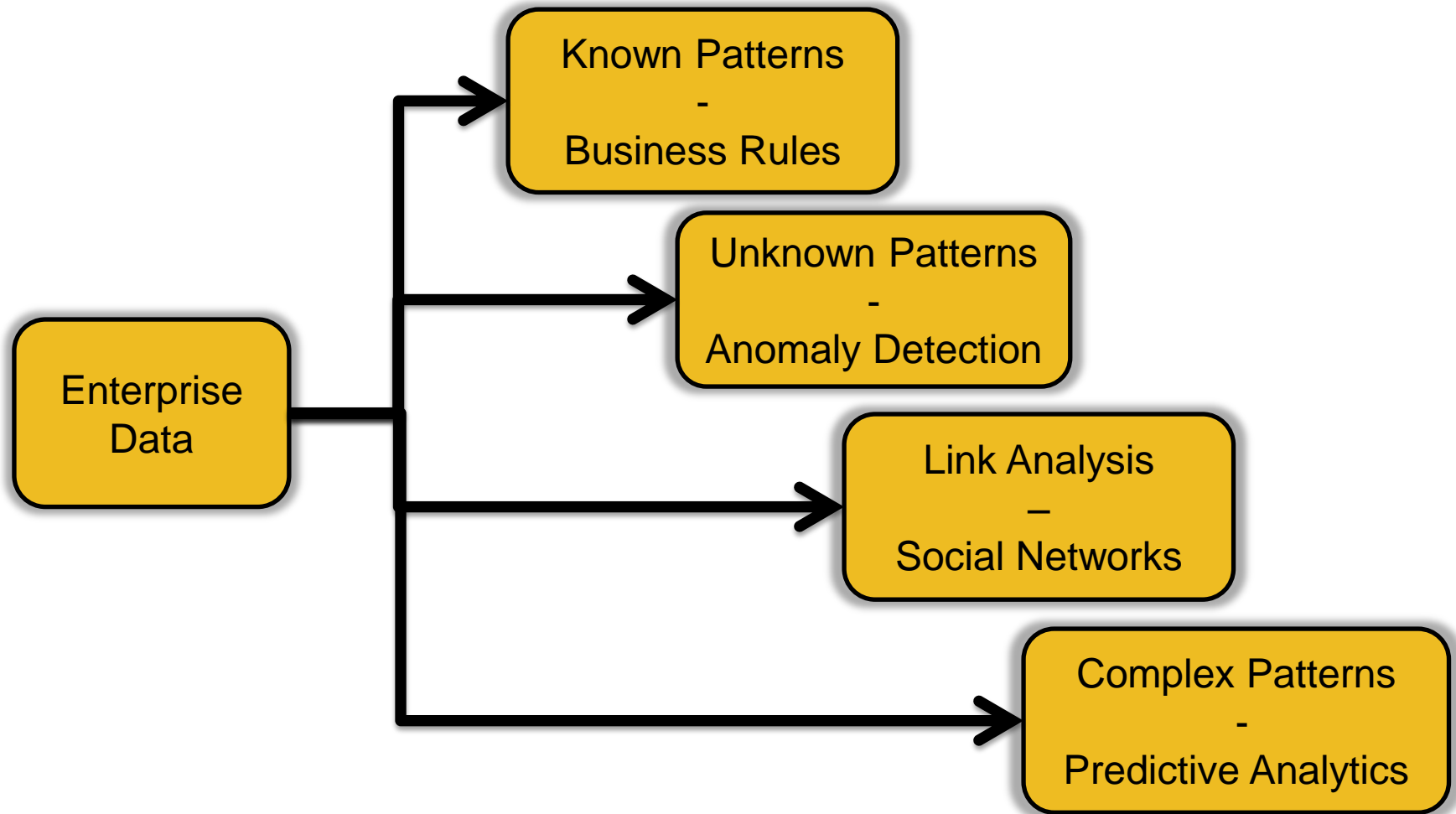


DEVELOP PLANS
Plan design changes
System & process changes
Other controls
Education

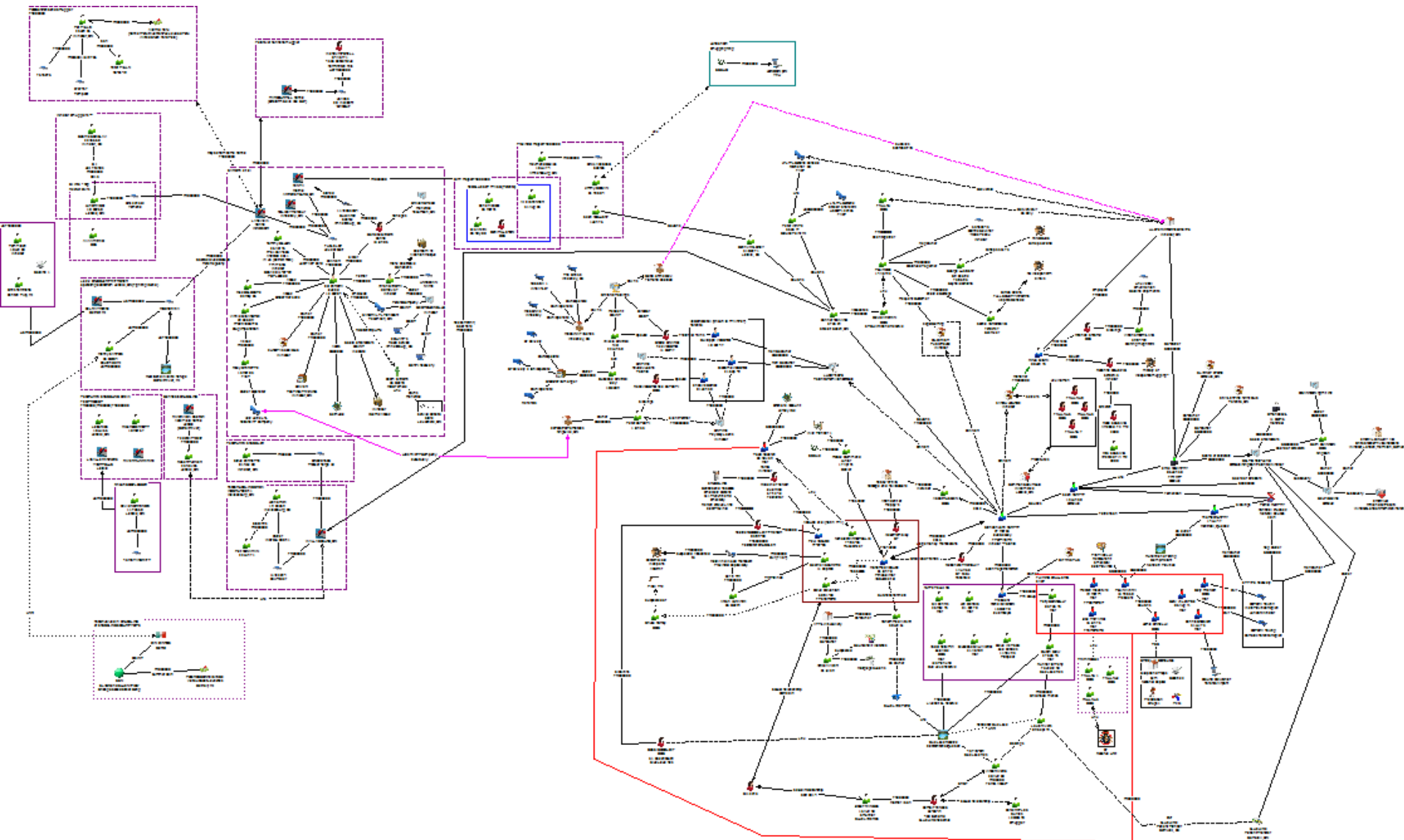
IMPROVE CONTROLS

Implement new controls
Refine existing scenarios, limits
Develop new analysis or
procedure

Increasingly Sophisticated Analytics



Sample Social Network Analysis



What Can Plan Sponsors Do?



- Ensure reasonable coverage limits
- Use deductibles and co-payment features
- Health Care Spending accounts
- Benefits policy or Code of Ethics
- Educate and Support Plan Members
- Encourage Plan Members to speak to their health care providers

Reducing The Risk



We all have roles to play

- Plan Members
- Plan Sponsors
- Sun Life Financial



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