Healthcare Fraud - Harmful to Your Wallet and Health

What is healthcare fraud?

Healthcare fraud is a deliberate misrepresentation of a fact or facts on a healthcare claim to receive false payment. Both medical professionals and individuals can commit healthcare fraud.

Healthcare fraud increases premiums and out-of-pocket expenses for you, the consumer. Reduced benefits and coverage are linked to the cost of healthcare fraud. The Federal Bureau of Investigation (FBI) estimates that healthcare fraud costs the United States ten percent of our annual national healthcare spending which equals about $224 billion per year.

Even more costly is the harm healthcare fraud can present to patients. According to the FBI:
"One of the most significant trends observed in recent healthcare fraud cases includes the willingness of medical professionals to risk patient harm in their schemes. FBI investigations in several offices are focusing on subjects who conduct unnecessary surgeries, prescribe dangerous drugs without medical necessity, and engage in abusive or sub-standard care practices."

A false diagnosis or erroneous information on your medical record can result in:
- Wrong treatment from an unsuspecting future provider
- Difficulty obtaining life insurance or individual health insurance
- Increased cost in coverage

How does healthcare fraud happen?

Healthcare fraud occurs when medical professionals intentionally:
- Bill incorrectly for services never performed, unnecessary services, and free services
- Make false claims about qualifications, licenses, or education
- Falsify records
- Forge a physician's signature
- Alter information on care plans, prescriptions, or other medical documentation
- Bill for multiple family members when only one received service
- Change or incorrectly code a claim, diagnosis, or procedure to receive a larger payment
- Double bill by changing the service date
- Waive deductibles and co-pays

Or when individuals intentionally:
- Share health plan cards
- Claim non-covered dependents
- "Doctor shop" to falsely obtain multiple prescriptions
- Fabricate claims

- Alter medical documentation
- Use a deceased person's health plan card for healthcare services
- Provide false application information

What is being done to combat healthcare fraud?

Private healthcare insurers and Federal agencies are joining forces to reduce healthcare fraud. The National Healthcare Anti-Fraud Association (NHCAA) is a public-private partnership that has jurisdiction over healthcare fraud between private health insurers and government agencies, which focuses exclusively on combating healthcare fraud. The NHCAA works to prevent, detect, investigate, prosecute, and increase awareness of healthcare fraud.

In May 2009, a new government effort called the Healthcare Fraud Prevention and Enforcement Action Team (HEAT) was jointly announced by the United States Department of Justice and the Department of Health and Human Services. HEAT is intended to combat healthcare fraud in public programs such as Medicare and Medicaid.

What can I do to help?

Participants are the most important resource in battling healthcare fraud. Some helpful tips:

- Review every EOB you receive and identify inaccuracies in the services provided. Ask questions and follow up on anything you don't understand. Make sure billed services were provided. False claims (padded claims) count towards your annual and lifetime benefit maximums, resulting in possible loss or denial of benefits.

- Treat your health insurance or Medicare card with the same care you treat your Social Security card. Report a lost or stolen card as soon as possible. Do not send your personal health information over the Internet.

- Not just healthcare professionals commit healthcare fraud. Any one can commit healthcare fraud or medical identity theft. Theft of personal health information is used to steal medical care, buy drugs, and submit fake bills in your name.

- Beware of advertisements for free treatments or services. These are likely scams and should be avoided.

- Beware of someone who calls you for a health survey and asks for your health information or Medicare number over the phone.

- If your Medicare card is lost or stolen, report it right away to Social Security at 800-772-1213.

By reviewing your Explanation of Benefit (EOB) statements, paying attention, and asking questions, you can help in the war against healthcare fraud. Identifying healthcare fraud problems now may save you time, trouble, and money later.

U.S. Department of Veterans Affairs. Health Administration Center. 2008. *Fact Sheet 06-03: Fraud, Waste, and Abuse.*

The National Healthcare Anti-Fraud Association. 2009. *Fighting Healthcare Fraud: An Integral Part of Healthcare Reform.* Prepared by the National Healthcare Anti-Fraud Association: 1201 New York Avenue, NW, Suite 120, Washington, DC 20005.

U.S. Department of Health and Human Services. Office of Inspector General. *Stop Medicare Fraud.* 2010. Key word: *Medicare Fraud* http://www.StopMedicareFraud.gov or *www.OIG.HHS.gov.*