



**Presented by:**

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# Agenda

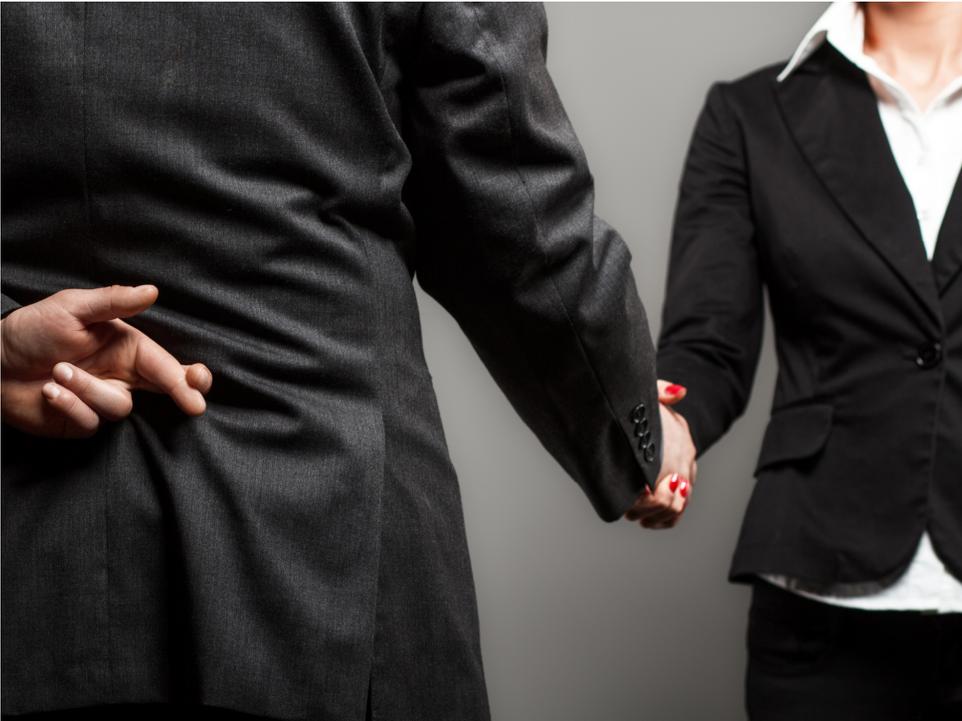
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- What is fraud?
- Counter-fraud strategies
  - Prevention
  - Detection
  - Investigation
  - Action
- Industry collaboration
- What can plan sponsors do?



## — Definitions

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**Benefits fraud** – any intentional dishonest act or omission by a person (whether an individual or corporation) designed to result in receiving benefits they, or another person, are not entitled to

**Abuse/misuse** – using benefits that are excessive or inappropriate for the condition

**Fraud** is a crime; **Abuse/misuse** are not.

# — Counter-fraud Strategies —

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## Prevention

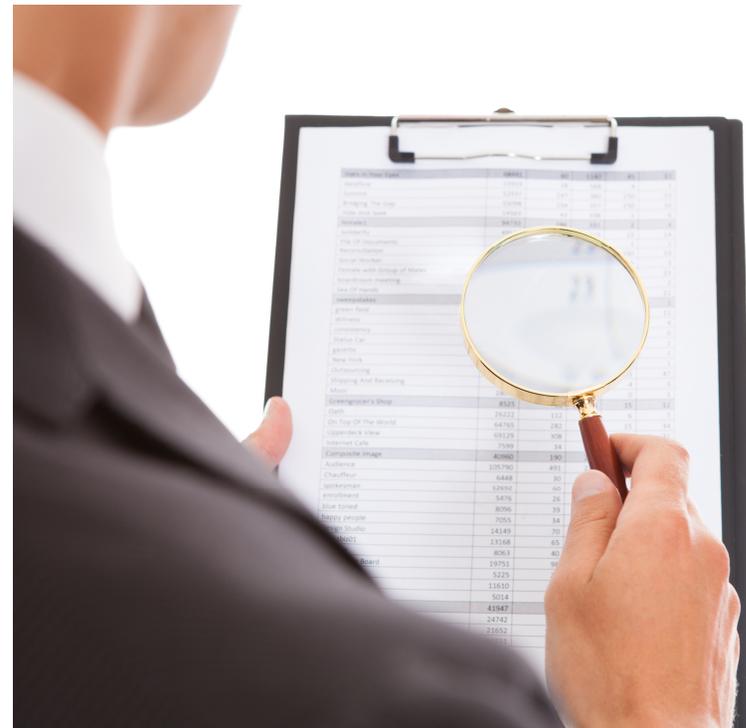
- Educational material for plan sponsors
- Staff training & awareness
- Provider registry
- Adjudication system controls
- Electronic claiming agreements & controls
- Integrated Fraud Management program

# — Counter-fraud Strategies

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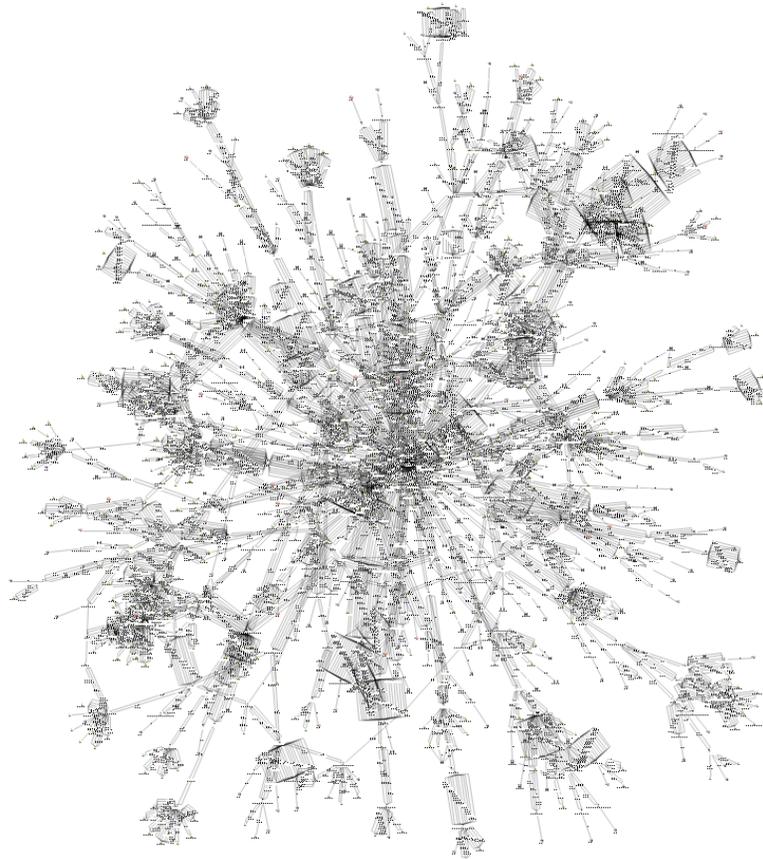
## Detection

- Analytics
- Big Data
- Social network & geospatial analysis
- Tip lines
- Internal referral channels
- Random audit program
- Targeted audits
- Risk-based triaging
- **Multi-layered and intelligence-led program**



# — Social Network Analysis —

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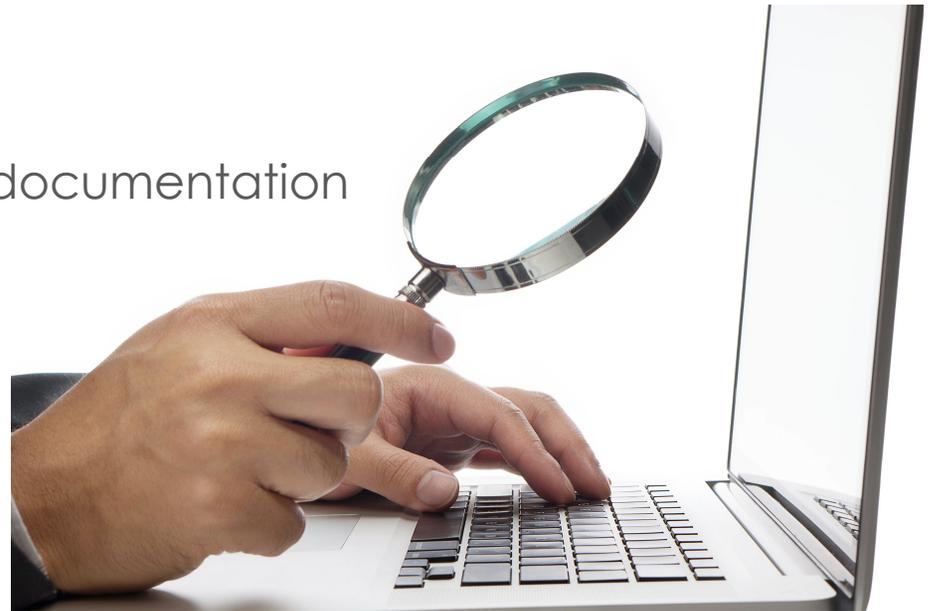


# — Counter-fraud Strategies —

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## Investigation

- Desk top investigation
  - Forensic review of electronic data
  - Web searches
  - Audits
    - Request for supporting documentation
  - Service/supply validation
- Field-based investigation
  - Undercover program
    - Onsite visits
    - Secret shopper
  - Interviews



# — Counter-fraud Strategies —

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## **Actions - Plan members**

- Removal of electronic claiming privileges
- Reports to employers
- Referral to law enforcement
- Recovery of funds



# — Counter-fraud Strategies —

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## **Actions - Providers**

- Removal of assignment of benefits
- Removal of electronic claim submission access
- Implementation of extra adjudication controls
- Delisting
- Formal complaints to regulatory bodies
- Referral to law enforcement
- Recovery of funds

## — Industry collaboration —

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### **Canadian Life and Health Insurance Association**

- Regular meetings to discuss emerging fraud trends
- Annual conference
- Provider relations
- Fraud tip line
- Initiatives

## — What Can Plan Sponsors Do? —

Plan sponsors play a key role in maintaining the viability of their employee benefit plans and in mitigating fraud risk.

An effective plan design is a key step to maintaining a financially sustainable group benefits plan.



## — What Can Plan Sponsors Do? —

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- Robust hiring practices
- Code of conduct
- Helping employees become educated users of their benefit plan may prevent your company from becoming a victim of fraud.



# — What Can Plan Sponsors Do? —

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## **Employee education**

- Proactive
- Transparent and open communication
  - Understanding what constitutes fraud
  - Fraud is a crime
  - Insurers notify employers of invalid claiming under their plans
  - Your company policies and the consequences of involvement
- On-boarding education
- Ongoing educational resources and training - the 7x times rule

— Questions? —

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