FRAUD, WASTE & ABUSE SUMMIT

28 FEBRUARY - 1 MARCH 2019 SANDTON CONVENTION CENTRE

CMS Council for Medical Schemes

IPA Foundation of SA Position Statements on Fraud, Waste and Abuse

Dr. Elijah Nkosi (MB ChB, MAP and MBA) – IPAF CEO

"Partnership towards curbing fraud, waste and abuse"

#fwasummit

IPAF Brief Profile

- This is a doctor association that is an NPO comprising of four major IPA umbrella groups:
- The SA Managed Care Coalition (SAMCC) – Prof Chetty (Charman), Dr Tony Behrman, Dr Mukesh Govind and Dr Dennis Dyer
- The Alliance of SA IPAs (ASAIPA) – Dr Unben Pillay and Dr Mike Nicholas
- The South African Medical and Dental Provider Network (SP. Net): Dr Elijah Nkosi (CEO)
- Nimpa Health Care (NHC) – Mr Hermann Kohloffel
- These networks have been around for more than 20 years, but IPAF was formed in 2008
- Have offices in Durban, Cape Town, Pretoria and Johannesburg

IPAF Profile (Continue)

- ❑ Contracts with Discovery Health, Polmed, Bestmed, Medihelp, Medshield and CDE; work closely with Medscheme, Bankmed and other major schemes and administrators

- ❑ Have contracted w about 5 000 Family Practitioners (FPs)

- ❑ Our directors are involved in various committees in the healthcare industry
- ✓ Office of Health Standards Compliance (OHSC) and HQA – Prof Chetty
- ✓ CMS PMB Review Committee – Dr Mukesh Govind
- ✓ Office of Health Standards Compliance (OHSC) and HQA – Prof Chetty

- ❑ Affiliation/membership to:
- International Society of Quality (ISQUA)
- Africa Health Business Forum in SA
- Affiliated to HQA

FRAUD, Waste and Abuse

- This is an intentional wrongful or criminal deception intended to result in financial gain
- charging for services not provided you did not do or selling
- **Unlawfully making a misrepresentation that prejudices another**

WHAT IS FRAUD

- **Unlawful gain** - It is an act of deception or misrepresentation
- Charging for something that you did not do or services not provided – Criminal offense
- **Intention is to deceive:** one attempts to obtain something of value that he is not entitled to under the law or rules governing the relationship
- It can be a collusion between a provider and a patient
- It can be done by a doctor on his own
- By a doctor and an employee of an Administrator or payer.
- By a doctor and a Pharmacist
- By a Pharmacist when he/she dispenses medicines using the doctors' PR number

WHAT IS FRAUD – 2

- Fraud is not a victimless crime;
- It drives up the cost of care - Members pay higher or increased premiums – this will/may lead to them being unable to afford medical aids
- It is estimated that 3-5% of the claims are fraudulent; this resulting in an estimated loss of at least R22bn

HOW IS FRAUD COMMITTEED IN THE MEDICAL INDUSTRY

- Misrepresentation of services (Upcoding/Miscoding)
- Billing for services not rendered (Phantom billing)
- Billing for meds not dispensed
- Dispensing a Generic medicine, but billing for the original
- Billing for supplies not provided
- Billing for a PMB condition when it is not a PMB
- Falsification of information in medical records; this includes treatment of non-members

IPAF POSITION ON FRAUD

- IPAF is against any form of Fraud
- This is a criminal matter, it leads to increased cost of care, and this leads to more people being unable to afford private healthcare.
- We urge our members to exercise care and caution when providing medical services and claiming from schemes for services rendered.
- We distance ourselves from fraud, and will not defend our members in instances where fraud has been proven beyond doubt.
- Equally, we will not condone deviation from the law by funders and administrators, in the name of recouping money allegedly claimed fraudulently

Medical Schemes/Administrators approach to Fraud

- Doctors who are accused of fraud are frequently coerced into signing an **Acknowledgement of Debt (AOD)**, which in essence becomes a repayment plan of amounts allegedly defrauded from the medical aid.
- **Schemes withhold direct payment** to the accused doctors
- **The amounts computed** in these AODs are usually based upon small samples of evidence, which is irregularly assembled, unscientifically computed and **frequently a thumb suck** on the part of the funder who alleges that they have been defrauded.
- **The doctor is intimidated** by the process, is ill equipped to represent himself and to challenge or test the validity of the allegations, and is **threatened by adverse publicity and reporting to the HPCSA should he resist signing the AOD**.

Schemes' violation of doctors' right

- In terms of our Constitution, any person is **presumed innocent until proven guilty**. Therefore, when investigating fraud, this right has to be recognized and respected at all times.
- Ethical matters have to be reported to the HPCSA;
- Criminal matters have to be reported to SAPS
- Section 34 of Prevention and Combating of Corrupt Activities Act 2004 states that "A person/practitioner involved in **a fraudulent activity that involves an amount of R100 000 or more, should be reported to SAPS**. Failure to comply constitutes an offense under the Act.

Forensic Units – Raids of doctors practices:

- **Investigators must be in possession of a Section 41 (a) warranty requested from the HPCSA and issued by a magistrate** before they can search premises. Without this warrant, the doctor is within his/her right to request the investigators to leave the premises - trespassing.
- Patient Confidentiality: Funders should have an express written consent from the member to access their clinical records. They may sign away their rights to confidentiality upon joining a medical scheme, and the scheme relies on this, to pursue the request for the patients records.
- Patients' Rights to Confidentiality is a fundamental human right and it is in the Ethical guidelines of HPCSA (Booklet number 5). This right has to be respected at all times.

IPAF POSITION REGARDS THE FORENSIC UNITS

- We are against: Departure from the rules of Natural Justice; attempts at entrapment by probes and inducements to commit a crime
- Any form of recording of the consultation – video/tape
- Use of an AOD arrangements by funders to recoup funds allegedly received by fraudulent means
- Doctors who break the law must be reported to the HPCSA and charged accordingly, rather than embarrassed into signing AODs in return for continuation of guaranteed payment by the funders.
- **These Units need to be properly regulated so that they operate within the law.**

IPAF POSITION ON BALANCE BILLING AND DIRECT PAYMENT TO PATIENTS

- **Balance Billing** – doctor charges a fee that is higher than the schemes' rate, and the patient pay the balance
- **IPAFs position is that**: All the schemes should allow Balance Billing to ensure that patients see providers of their choice.
- **Sechaba judgment** (Direct payment to doctors rather than paying members)- The judge concluded his findings by stating that – ***"When a member utilizes medical services and arranges for the provider to submit a claim to the scheme, they are authorizing the scheme to pay the doctor directly and not the member".***

WASTE

- Healthcare spending that can be eliminated without reducing the quality of care (Over-servicing). Examples are

- Unbundling – adding multiple claim lines
- Up-coding – using modifiers like emergencies, after hour services or travelling away from the rooms: 0146; 0147 and 0148 codes
- Overuse of Emergency units (Casualties) for non-emergencies
- Underuse of generic medicines
- Overuse or Abuse of Antibiotics, especially for URTI – viral infections
- Overuse of in-house investigative facilities: ECGs, Ultrasounds, Lung Function tests,

Categories of Waste

1. **Failures of care Delivery – Preventive care (**Not doing necessary tests:

- ✓ PAP Smear; Mammograms; Screening tests - for Colon Cancer
- ✓ Vaccines for children and the elderly, Flu vaccines

These delivery failures can lead to worse clinical outcomes

2. **Failure of Care Coordination –** patients experience care that is fragmented - doctor hopping, forced supercession

3. **Overtreatment (Use of more expensive treatment that have no health benefit)**

- ✓ Patients demanding medicines where it is not indicated
- ✓ Doctor giving more medicines than it is necessary

. E

4. **Unnecessary hospital admissions**
5. **Office procedures that could be done by practitioners at a lower cost**

ABUSE (Entitlement) -

Providing services that fail to meet professionally recognized standard of care (unnecessary procedures. Examples are:

- Abuse or Over-utilisation of Ultrasound;
- Dispensing medicines that are unnecessary based on the patients' medical condition
- Dispensing meds in quantities above the medically necessary quantity

THE ROLE OF PROFILING AND PEER REVIEW

- IPAF has contracts with schemes and administrators
- The Objective of Peer Review is to promote quality cost effective healthcare and to set and maintain a standard that is available throughout the country
- It is a collegial process that help the practitioners correct the clinical issues to improve care and manage costs
- We get profiling data from Insight, Discovery Health and Medscheme where we get a list of doctors that are outliers and need to be peer reviewed. This process is done quarterly
- Peer reviewers are trained to have a conversation with the practitioner and to correlate the statistical analysis to the clinical imperative

Peer Review role in reducing Waste and Abuse

- Through this process we are able to isolate practices that might be fraudulent, wasteful and where there might be abuse.

- Where we suspect Fraud, we recommend to schemes that they should send their forensics to review this practice. As a provider network we do not condone any form of fraud

- Where we suspect or detect Waste and Abuse we recommend peer review of these colleagues.

The Value Of Peer Review to the Industry

A. Our trained Peer Reviewers undergo regular refreshers to ensure that they are up to date with treatment protocols for various conditions.

B. Our office in KZN ensures that each doctor/outlier is allocated to the same peer reviewer again and again. This enables the peer reviewer to have an on-going relationship where he/she mentors this doctor to ensure that there is behaviour change

C. **Peer review is a collegial process and concludes with recommendation to improve care and manage costs whichever/ whenever is applicable.**

Through the Peer Review Process we are able to calculate and estimate:

- The extent of **Abuse of drugs** – Antibiotic, Steroids, Ethical drugs;
- The **Top 10 drugs** used in every category of illness – and their costs to schemes and patients ;
- **Savings** that could have been made if a generic alternative was used

We often write to our doctors in our newsletters to share this information and advise them accordingly. Our contracted schemes and administrators get this information regularly.

IPAF POSITION ON WASTE AND ABUSE

- We are against any form of Waste and Abuse as this leads to increased costs and makes healthcare inaccessible to a number of people
- Waste and Abuse should not be bundled together with Fraud as it might be an oversight from a doctor with no intention to defraud a scheme, or waste and abuse resources.
- Through Peer Reviews and our Mentoring Process we are able to reduce Waste and Abuse in the industry

THANK YOU