Private Healthcare Industry Code of Good Practice

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FRAUD, WASTE & ABUSE WEBINAR

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CMS Council for Medical Schemes

IN ASSOCIATION WITH HPCSA Health Professions Council of South Africa

Objectives

- To foster a culture of lawful, honest, cost-effective, transparent and ethical conduct by **all parties** to the benefit of **beneficiaries**
- To prevent, detect, deter and mitigate losses to medical schemes due to fraud, waste and abuse
- Mutual understanding of rules of engagement, including rights and responsibilities of all stakeholders

Principles

- Non-discrimination and adherence to values enshrined in the Constitution including non-racialism; non-sexism; equality and human dignity.

- To ensure FWA efforts contribute to the optimal utilisation of medical scheme resources to provide access to efficient, cost-effective and good quality health care for beneficiaries.

- Fairness; honesty and transparency.

Stakeholders

Scheme members

Medical schemes, Administrators, Brokers and Managed care

Regulators and Standard bodies

CMS, HPCSA, SAMA, National Department of Health.

Medical Service Providers

SIU, National Prosecuting Authority, SAPS, Corruption Watch, Section 27, Financial Intelligence Centre …

Syndicate fraud

Syndicate fraud

Syndicated fraud may involve **medical scheme members, brokers,**

service providers, medical scheme employees, or any other person.

Other types of syndicates that target medical schemes could

encompass members and/or family members.

(Legotlo & Mutezo, 2018)

Types of fraud

Members

- Non-disclosure
- Card farming

Employee fraud

- False claims -
  Channelling members' refunds for claims to own account

Types of fraud (2)

Broker

- False medical scheme policies
- Non-disclosure of the applicant's pre-existing medical condition

Collusion

- Excluded benefits or non-medical items claimed as covered benefits
- Cash plan-related fraud
- Hospital colluding with independent allied service providers

Types of fraud (3)

Provider

- False claims
- Irregular billing of codes
- Excessive billing for services and products
- Provision of unnecessary medical services
- Duplicate claims
- Excluded products and benefits claimed as covered benefits
- Unlicensed service provider

Setting the rules

Rights

Obligation/
Responsibilities

Responsibilities - Schemes

- To act with integrity and honesty in dealing with providers of health care services, suppliers of health care products and beneficiaries.
- To act in accordance with the provisions of the Medical Schemes Act and other relevant law.
- To always treat providers of health care services and suppliers of health care products and beneficiaries fairly and in a manner that does not constitute unfair discrimination.
- Not to make false allegations of fraud, waste or abuse against providers, suppliers or beneficiaries.

Responsibilities - Schemes

- To co-operate with the relevant authorities, where applicable, in dealing with fraud, waste and abuse.
- To act at all times in a manner that upholds a zero-tolerance stance towards fraud, waste and abuse.
- To act in a manner that promotes and protects the financial sustainability of medical schemes.
- To uphold this CoGP and any industry standards arising from this Code.

Rights - Schemes

- The right to take a zero-tolerance approach to fraud, waste and abuse affecting medical schemes and other resources for health care financing.

- The right to promote, protect and preserve the interests of medical schemes and their beneficiaries in securing access to health care services and health care products that are provided in accordance with the relevant law.

Rights - Schemes

- The right to initiate an investigation, in co-operation with the relevant authorities where appropriate, into the lawfulness of the provision of health care services and health care products where there is a reason to believe that the supplier is non-compliant with the legal provisions governing his/her/its activities.

- The right to share findings with other participants in the CoGP for the benefit of schemes and their beneficiaries.

Rights - Schemes

- The right to ensure recovery by medical schemes of money paid to beneficiaries or suppliers to which such beneficiaries or suppliers are not entitled either in terms of the law or the rules of the relevant medical scheme.
- The right of a medical scheme to utilize all risk mitigation measures as permitted by the law to the benefit of medical scheme beneficiaries.
- The right to terminate a member's medical scheme membership in the circumstances contemplated in the Medical Schemes Act.

Responsibilities - Health Care Providers

- To claim honestly and ethically and not to exploit any beneficiary or their medical scheme benefits.
- To only render healthcare services that are medically necessary and clinically appropriate.
- Not to commit any form of over-servicing or over-charging when rendering services or submitting a healthcare claim.
- To cooperate with medical schemes and administrators when validating and verifying services, to the ultimate benefit of the scheme members and patients.

Responsibilities - Health Care Providers

- To abide by all legislation and ethical rules, policies and guidelines applicable to their profession.
- To report any instances of fraud, waste and abuse that comes to their direct or indirect attention to the regulatory authority.
- To uphold this CoGP and any industry standards arising from this Code.

Rights – Health Care Providers

- Must be treated fairly; objectively and without favour or prejudice.
- Healthcare providers and suppliers must be treated with due regard for their constitutional rights to human dignity, equality, freedom and security of the person, freedom to pursue their chosen trade, occupation or profession and other relevant constitutional rights.
- May not be deprived of their right to legally defend themselves against allegations of fraud, waste or abuse.

Rights – Health Care Providers

- Any supplier of a health service must be afforded a reasonable opportunity and a reasonable time period within which to provide an explanation for apparent fraud, waste or abuse, wherever possible.

- A supplier or provider must not be accused of fraud, waste or abuse without prima facie evidence to substantiate such an accusation and may not be unduly prosecuted.

Responsibilities - Members

- Not to collude with suppliers of health service to abuse their benefits.
- To report any instances of fraud, waste and abuse that comes to their direct or indirect attention to the relevant regulatory authority.
- Read and review their benefit claim statements to ensure accurate dates of services, name of providers, and types of services reported.
- Ensure that they received the treatment for which their medical scheme was charged and question any suspicious expenses.

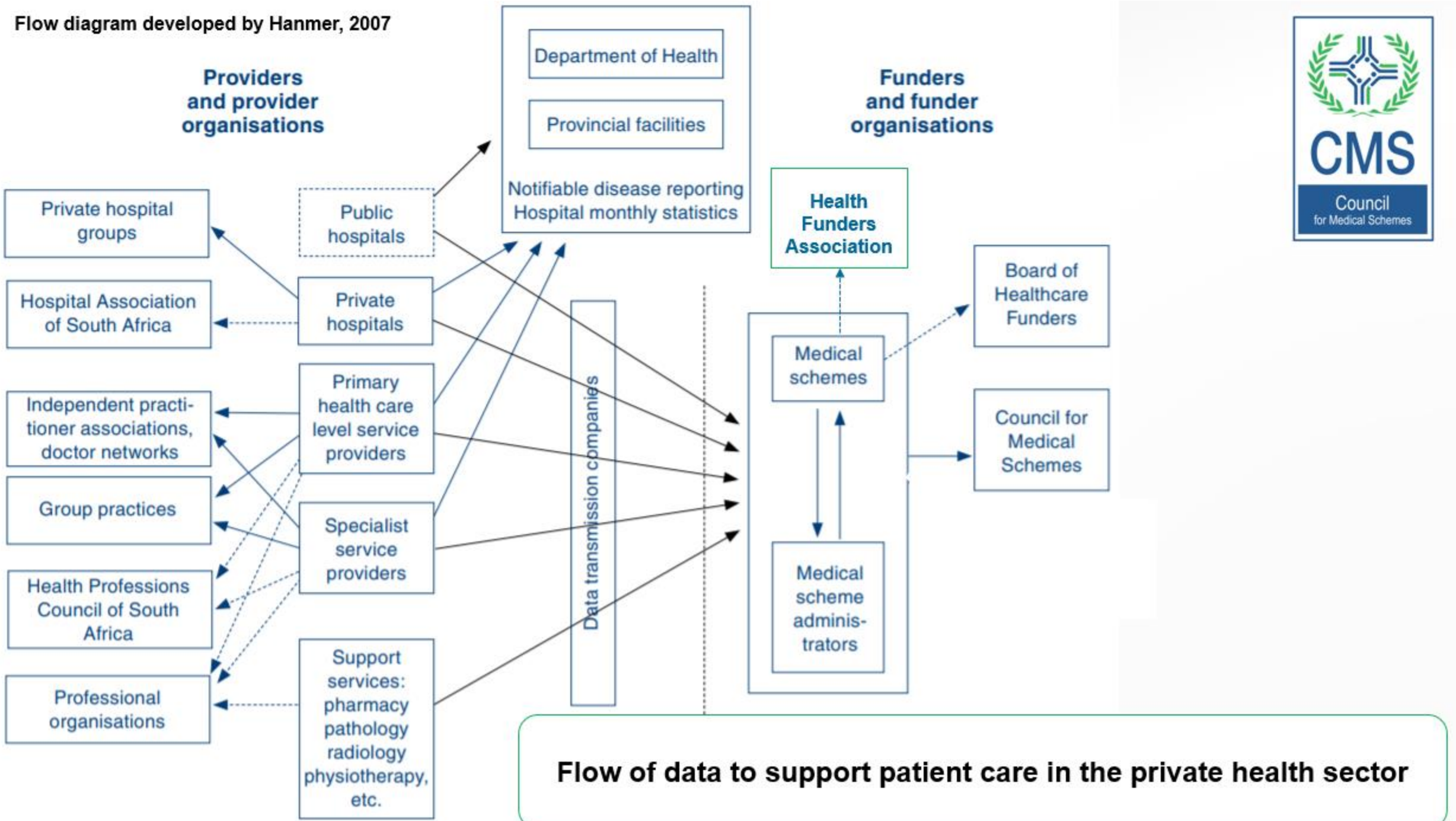
Responsibilities - Members

- Be informed about the healthcare service they receive, keep records of their medical care and closely review all the medical bills they receive.
- Protect their medical aid card and personal information at all times. Scheme members may not give medical aid card number to anyone except their doctor, clinic, hospital or other healthcare provider. Members may not let anyone borrow their medical aid card.
- May not accept free tests or screenings in exchange for your medical aid card number- be suspicious. Be careful of accepting medical services when they are told they will be free of charge.
- Should not ask their doctor or other healthcare provider for medical treatment that they do not need.

Rights – Members

- To receive healthcare treatment and services that are medically necessary and cost-effective.
- To receive all information relating to their illnesses, treatment and associated costs from the supplier of the health service and their medical scheme.
- To determine with whom their medical information is shared for purposes of treatment and subsequent claims assessment.
- Receive treatment in a safe and clean environment and to be treated by qualified healthcare practitioners.
- Right to be protected from financial losses incurred through FWA.

Flow diagram developed by Hanmer, 2007



CMS Council for Medical Schemes

Flow of data to support patient care in the private health sector

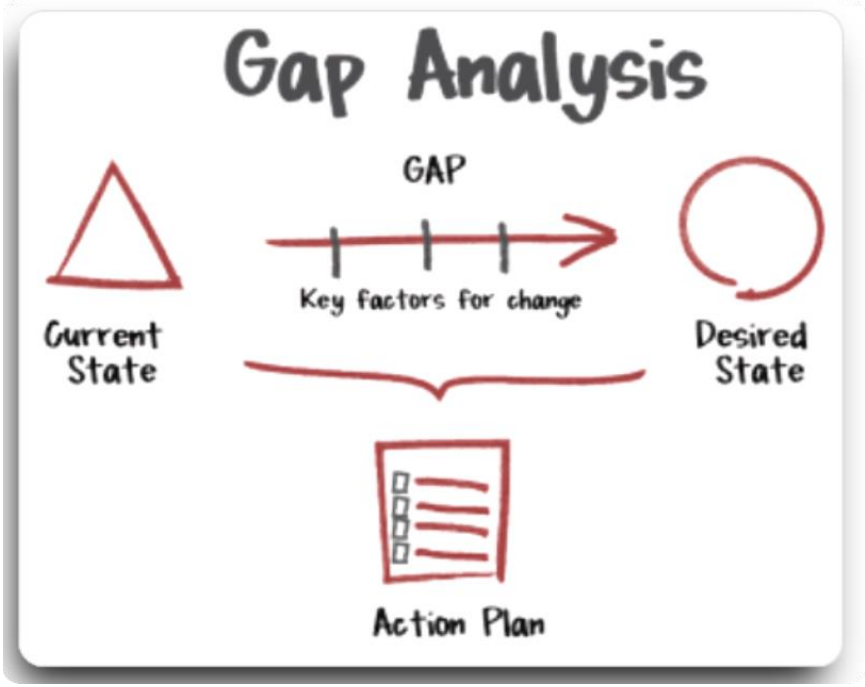
Regulators

- National Department of Health
- CMS
- HPCSA
- Health Ombud
- Professional Associations
- Special Investigating Unit
- Directorate for Priority Crime Investigation
- Office of Health Standards Compliance
- South African Health Products Regulatory Authority

Regulatory gaps: billing agencies;

Supply side regulator – specially to coordinate coding;

Independent accredited auditors for health professional practices



Role of the regulators

- To oversee that industry conduct is in accordance with regulatory requirements.
- To ensure that member interests are protected and that medical scheme funds are used for legitimate purposes.
- To support other stakeholders in ensuring that conduct is ethical and appropriate through education, communication, and engagement.
- To receive and analyse reports on activities by medical schemes in demonstration of compliance.

Broad Principles: All

Batho Pele Principles

- The Batho Pele Principles explain that, if the promised standard of service is not delivered, users should be offered an apology, an explanation and an effective remedy. In addition:
  - Users should be given a clear explanation of complaint procedures and possible time frames for resolving complaints.
  - Regulatory bodies should ensure that complaint procedures are easily accessible and that complaints are dealt with effectively and speedily.
  - When complaints are made, users should receive a sympathetic, positive response.

Next steps

- Finalisation of a wider sub-committee with representation from provider and patient communities.
- Finalise ‘Rights’ and ‘Obligations/ Responsibilities ’ for each of the stakeholders.
- Code of Good Practice to be adopted by CMS FWA Advisory Committee.

Thank you.