



spotlight on healthcare

Diagnosing Fraud Benefits Consumers

(NAPSA)—The health and wealth of all Americans may both be better soon, thanks to cooperative efforts geared towards healing an expensive health insurance ailment—fraud.

With some estimates of total U.S. healthcare expenditures at one trillion dollars, even a relatively small percentage lost to fraudulent activity can translate into huge costs—\$30 billion to \$50 billion annually, according to the National Healthcare Anti-Fraud Association.

The good news is, law enforcement and the insurance industry are not taking the news of fraud lying down. The Blue Cross and Blue Shield Association (BCBSA) has established a national anti-fraud department in Washington, D.C. to stop healthcare fraud and limit its effects. In the year 2000, 290 million dollars in fraud losses were recovered.

The department is run by a seasoned anti-fraud veteran with more than 30 years of law enforcement and anti-fraud experience. The department will serve as a clearinghouse for the 45 independent Blue Cross and Blue Shield Plans to share information and will be the principal point of contact for Justice Department, FBI and other national criminal justice officials.

“Fraud cases run the gamut from unscrupulous labs performing unnecessary or inadequate tests, while billing insurance providers or the government for expensive lab work, to ‘phantom billing’ for ser-



Last year the health industry recovered almost \$300 million in insurance fraud loss.

vices that were never rendered,” says Scott Serota, president and CEO of the Blue Cross and Blue Shield Association.

Statistically, such joint law enforcement and insurance company ventures seem to be having an effect.

The FBI reports that since 1992, the Bureau has experienced a 400 percent increase in healthcare fraud convictions.

Dennis M. Lormel, section chief of the FBI’s Financial Crimes Section attributes much of the increase to what he calls the dramatic rise in coordinated efforts between private industry insurers and law enforcement.

Until there’s a cure for dishonesty, some say cooperative efforts of this type are the nation’s best defense against fraud and the resulting lost healthcare resources.

For more information, visit www.BCBSHealthissues.com.