

Some Truly Scary Examples of Healthcare Benefits Fraud

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The pigskins have begun to fly, the days are sadly growing shorter, and while the frost isn't quite on the pumpkin just yet, October is on the immediate horizon.



October, for most healthcare benefits and insurance professionals, is a frenetic and dizzying month as they ramp up open enrollment activities for the vast majority of their clients. By the time Halloween appears on the 31st, the Fall "push" is in full throttle, and there may be little time to partake in tricks, treats, and scary stories involving fictitious ghouls and goblins.

Scary stories of a different variety - those involving employee fraud - are unfortunately all too common and all too real, in the world of employer sponsored healthcare benefits.

Consider these frightening examples:

- The City of Buffalo, New York discovered during an audit, that over \$2 million had been spent on health insurance for 170 deceased employees. Several of those employees according to the audit, had been dead for four years. One of the more extreme examples found in the audit were the 85 employees who had between seven and twelve dependents *apiece*, each one of those dependents receiving benefits they didn't deserve (source: *The Buffalo News*)
- A Pennsylvania woman claimed her sick brother was her husband when she added him on her company's health insurance plan. The insurer paid a quarter-million dollars in medical bills before the woman was arrested for fraud. (source: *The Bucks County Courier Times*)
- The City of Hartford's internal audit commission found that more than *two dozen* ex-spouses of Hartford Board of Education employees remained on their health insurance accounts years after being divorced - including one who continued to be insured for 15 years - racking up over \$700,000 in claims. (source: *The Hartford Courant*)
- In June 2018, the DOJ and the U.S. Department of Health and Human Services (HHS) announced the largest ever national healthcare fraud takedown, which resulted in charges against more than 600 individuals responsible for more than **\$2 billion** in alleged losses (source: US Department of Health and Human Services)

If you are a broker or consultant, it's vitally important to make sure that your clients are fully engaged in protecting themselves against employee fraud and abuse involving company sponsored benefits.

Conducting a dependent eligibility verification initiative should be at the forefront of any proactive measures you're taking in this realm, especially heading into a new calendar (and benefits) year.

Engaging with a reputable, technologically advanced, and customer centric partner for this endeavor will help to eradicate those very real fears involving **scary unbudgeted high dollar healthcare expenses** and serve as a sound vehicle to make sure they don't reemerge in the future.