

# How to protect yourself from benefits fraud

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Benefits claim fraud is a big problem. If you have group medical and dental coverage, here's why you should care — and five things you can do.



The odds that your employer's group benefits plan has been affected by fraud are staggering — 95% of Canadian plans have been victimized by fraudulent claims, according to Benefits Canada.

So why should this matter to you as a plan member? There are three main reasons:

1. **The cost.** Simply put, fraud makes the cost of providing group benefits to you more expensive because fraud can lead to higher insurance premiums, reduced coverage for you — or both. The result is that fraud adversely affects plan members who legitimately need health benefits.
2. **Your health.** Some healthcare service providers who commit fraud or abuse may place their patients' health at serious risk by not providing the treatment their patients require. At the same time, if an inaccurate or false health record is created, it may affect your future ability to be insured and may be difficult to correct.
3. **Your employment.** If you submit fraudulent claims on your own or by working together with a service provider or other party involved in false claims, your job could be in jeopardy. In some cases, your employer may decide to discipline, suspend or even fire you.

An authority on health care fraud in Canada, the Canadian Health Care Anti-fraud Association, estimates that 2% to 10% of total health care spending in Canada results from

fraud. If these statistics are applied to health care spending by private insurers (i.e., employer-sponsored group benefit plans), then fraud may represent anywhere from \$440 million to \$2.2 billion in losses annually — losses that would ultimately translate into higher costs for you, the plan member, and your employer, the plan sponsor.

## How fraud happens

Benefits fraud can happen in a number of ways.

Service providers such as dentists, physiotherapists, massage therapists and chiropractors, or their office staff, may submit claims without your knowledge for services they never provided.

Individual plan members can also commit fraud independently by submitting false claims.

Plan members and service providers may work together to submit claims for products or services that are covered while receiving products or services that isn't covered. This could include:

- Receiving a spa treatment such as a facial and billing it as a therapeutic massage
- Receiving running shoes/dress shoes and billing them as orthotics
- Receiving designer sunglasses and billing them as prescription eyewear
- Receiving teeth whitening or a cosmetic service and billing it as regular dental care

Third parties can also commit fraud, typically through the unauthorized use of a service provider's name.

## You can make a difference

So how can you protect yourself from the hazards of benefits fraud? Here are some tips:

1. **Keep your benefits information confidential.** This prevents others from fraudulently submitting claims in your name.
2. **Submit claims online whenever possible.** Online claims submission and direct deposit eliminates much of the possibility for fraud — and it's faster than paper. Be sure to review all emails your benefits carrier sends you about any recent claims activities.
3. **Check your receipts.** Ensure your receipts are correct and reflect the service you actually received. Check that the name on the receipt matches the service provider who performed the service. Don't be afraid to ask your service provider for clarification.
4. **Don't sign claims forms in advance.** Sign one completed claim form at a time and never sign blank forms. Always understand what is being submitted on your behalf.
5. **Report suspicious activity.** If you suspect any activity or request from a service provider or medical equipment supplier — such as actions that provide little or no benefit to you but would maximize payments to that provider or supplier based on your coverage — let your employer or benefits carrier know.

March is Fraud Prevention Month — do your part to prevent fraud from damaging your health care coverage and your wallet.