

**Great-West Life**  
your Benefits Solutions People

# GroupLine

News and updates  
for advisors and  
plan sponsors



## Protecting your plan from the impact of fraudulent health and dental claims

At Great-West Life, our anti-fraud efforts help protect benefits plans from unnecessary costs while letting your plan members use their benefits to support healthful, productive lives.

The vast majority of health and dental claims submitted are legitimate. But those that are fraudulent involve sophisticated tools and procedures. Fraudsters are taking advantage of advancements in technology and forming partnerships in their deceptive attempts.

Great-West has aggressively responded to these risks in numerous ways. We've updated claim submission requirements, implemented new and innovative technologies, and established a large fraud investigation team with diverse expertise.

### Fraud or misuse of benefits?

Fraud occurs when someone intentionally falsifies or withholds information in an attempt to ensure a claim is paid. Fraud is a crime, and those who are convicted face serious consequences, including potential job loss, criminal conviction, jail time and fines.

Misuse of benefits occurs when claims are inappropriate or excessive for the condition being treated, but there is no intention to defraud. For example, a plan member may make frequent visits to a physiotherapist for treatment that isn't medically required. While misuse is not against the law, it's a serious issue to us and we take steps to prevent it.

### Managing misuse

Ensuring benefits are used responsibly is an important component of Great-West's plan protection program. This requires ongoing review and we've tightened claim submission requirements for benefits where misuse was detected. For example, we changed our standard rules on claims for orthotics, orthopedic shoes and compression hose when it became apparent that some of these claims were being filed for items that weren't medically necessary.

### Shining a light on fraud

Methods used to defraud benefits plans are becoming more advanced. Here are some recent examples of the fraudulent activity that we've detected and taken action on:

- Some service providers paid plan members to share their personal benefits information and then used this information to submit false claims on behalf of these plan members and their dependants.

# GroupLine

- Some plan members joined forces. In one case, a ringleader orchestrated a fraud ring made up of more than 100 plan members filing false claims.
- A spa provided phoney chiropractic receipts to its clients, allowing them to file claims for the money they spent on spa services.

For those involved in these activities, the consequences were serious. Service providers were delisted (meaning that Great-West no longer pays any claim associated with these providers). Plan members involved in such fraudulent activity faced job loss, criminal charges and, in some cases, civil lawsuits.

## How we're responding to fraud

Great-West's anti-fraud team is made up of more than 40 staff members. Some are dedicated to preventing and detecting benefits fraud and misuse; others investigate plan members and service providers suspected of fraud and monitor utilization enquiries from plan sponsors. Team members include accountants, law enforcement professionals (including a former military intelligence analyst and a former officer with Scotland Yard), lawyers, pharmacists and dental hygienists. An external network of medical service providers is also available to consult on investigations when necessary.

## Technology

We employ a variety of pre- and post-payment protection tools to help evaluate claims, spot trends and identify unusual patterns in both paper and electronic claims. Our software catches inconsistencies in normal claiming patterns and flags claims for in-depth review.

Our state-of-the-art predictive analytics tools monitor claiming patterns across benefit types and submission methods, by family and individual. Investigations of high-frequency and high-dollar-value claims are initiated so that fraud is stopped in its tracks. For example, if a plan member submits physiotherapy claims daily, our staff will conduct research to determine if daily appointments are necessary. The plan member may have been involved in an auto accident requiring daily physiotherapy treatment, or he or she may be taking advantage of a benefit plan that has unlimited physiotherapy coverage.

## Great-West's random audit function

A strong fraud program includes a blend of targeted and random detection methods. In 2013, more than 180,000 plan members were audited and asked to provide receipts to back up their electronic claims. Use of random audits is an effective fraud deterrent, ensuring plan members and service providers know their claims are subject to further examination.

More than 90 per cent of plan members who are randomly audited submit their receipts within the requested time period. Those who don't comply with the request are suspended from filing electronic claims. The majority of these individuals do provide receipts later. Plan members who don't provide supporting documentation remain suspended and are prioritized for further review, including potential fraud investigation. We appreciate plan member and service provider co-operation.



# GroupLine

## Acting on suspected fraud

When potential cases of fraud are identified, Great-West moves swiftly. Some cases involve aggressive investigation and pursuit of reimbursement of funds from plan members and service providers in criminal and civil court, if necessary. Complaints to professional colleges and associations are also made when their members are involved in fraud, resulting in the suspension of a provider's licence and other disciplinary action.

Great-West also engages in undercover operations to confirm suspected fraudulent activity; we're supported by our core of former police officers and private investigators. We have established an excellent reputation in the law enforcement community in Canada, resulting in a very high prosecution rate by law enforcement.

As soon as a service provider is suspected of fraudulent activity, we cease payment of claims related to that provider, regardless of whether the claim is submitted by the provider or a plan member.

As with all crime, it takes a community to prevent and take action against benefits fraud. In our role as a leading provider of benefits in Canada, Great-West has taken an aggressive stance to deter fraud and protect benefits plans from fraudulent activity. We are an active member of the Canadian Health Care Anti-Fraud Association and many other industry associations that promote collaboration in fraud prevention across Canada. All areas of Great-West are unified in sharing fraud information, from benefit payment offices and sales offices to head office departments and contact centres.

## Report suspected fraud

To report suspected benefits fraud or misuse, call Great-West's confidential Tips Line at 1-866-810-TIPS (8477) or email [confide@gwl.ca](mailto:confide@gwl.ca).

## Your role in fighting benefits fraud and misuse

Be sure to communicate with your plan members to help them understand their benefits coverage. Talk to your benefits advisor or Great-West group representative about plan design ideas to help reduce the risk of fraud. Placing maximums on certain benefits, for example, can be very effective.

Here are a few tips to help your plan members prevent fraud:

- Understand that fraud drives up the cost of benefits.
- Remember that Great-West employs advanced systems to detect and investigate claims fraud.
- Know that the potential consequences of fraud include job loss, criminal charges, jail time and fines.
- Identify situations where a claim has been submitted for products or services not received.
- Never change dates on claims or provide false or incomplete information in an attempt to ensure payment of a claim.



# GroupLine

- Confirm that a service is necessary before agreeing to have it done.
- Never provide blank, signed claim forms to a service provider; these can be used to submit fraudulent claims.
- Choose a provider you trust and don't be afraid to shop around.

We offer communication materials, including posters and stuffers, to help you spread awareness of fraud to your plan members. Contact your benefits advisor or Great-West group representative for more information.

*The content of this GroupLine is for general use and informational purposes only. It is not intended to be legal or tax advice. The content of this GroupLine is based on information available at the time of publication, which is subject to change. Efforts have been made to ensure the accuracy of the information contained in this GroupLine. However, it may contain errors or omissions or become out of date following publication. You may wish to consult your professional advisor(s) about your particular circumstances.*



Great-West Life and the key design are trademarks of The Great-West Life Assurance Company.  
©The Great-West Life Assurance Company, all rights reserved.  
Any modification of this document without the express written consent of Great-West Life is strictly prohibited.