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Insurance fraud awareness

Measuring consumers' out-of-pocket costs due to insurance fraud is an elusive target; however, even a small amount of health fraud can raise the cost of health care benefits for everyone. Financial losses caused by health care fraud are only part of the story. Health care fraud has a human face, too. Individual victims of health care fraud are all too easy to find. These are people who are exploited and subjected to unnecessary or unsafe medical procedures, or whose medical records are compromised or whose legitimate insurance information is used to submit falsified claims. Don't be fooled into thinking that health care fraud is a victimless crime. There is no doubt that health care fraud can have devastating effects.

Insurance is the third largest major U.S. industry. Health care costs are in excess of $1.7 trillion a year in health and accident claims—more than $4.6 billion per day. An estimated 10 percent of all health benefits paid are made on fraudulent claims—$170 billion annually.

Fraud increases the cost of health care for everyone and increases your Federal Employees Health Benefits Program premiums. You are not just dealing with amateurs; you are also dealing with professionals who know how to file error-free claims. Our members are our first line of defense.

What does health care fraud look like? Some of the most common types of provider health care fraud are:

- Billing for services not actually performed, either by using genuine patient information, sometimes obtained through identify theft to fabricate entire claims or by padding claims with charges for procedures or services that did not take place.
- Falsifying a patient's diagnosis to justify tests, surgeries or other procedures that aren't medically necessary.
- Unbundling—billing each step of a procedure as if it were a separate procedure.
- Performing medically unnecessary services solely for the purpose of generating insurance payments.
- Up charging or excessive billing, which refers to situations where providers temporarily inflate their charges for services rendered until they see how much an insurance company will pay. After an insurance company makes payment, the provider routinely writes off the inflated portion of the bill. This scenario plays out to be a win-win for the provider, making it look like they did a financial favor for the patient, which distracts the patient from questioning why the charges billed were so inflated in the first place, thus avoiding any further attention into the provider's billing practices.

Health care fraud is a serious crime that affects everyone and is a costly reality that none of us can afford to overlook. Here are some easy ways you can protect yourself and help avoid and prevent health care fraud:

- Protect your NALC Health Benefit Plan ID card like you would a credit card. In the wrong hands, a health insurance card is a license to steal. If you lose your ID card, call the Plan immediately.
- Ask questions about the services you receive, such as: Why are the services needed? What do they cost?
- Fill out, sign and date one claim form at a time.
- Question advertisements or promotions that offer free tests, treatment or services—especially when the provider requests your insurance information or a copy of your NALC Health Benefit Plan ID card. Offers of free health care services, tests or treatments may be a scheme designed to bill you and the Plan illegally for thousands of dollars of treatments you never receive.
- Be wary of surgeons who temporarily inflate billed charges, rather than billing usual and customary rates which can be supported by data showing surgical fees by surgeons performing the same procedure in the same or similar geographical location.
- Compare your Plan, Explanation of Benefits (EOB) and/or your medical bills with your records. Are the dates of service correct? Were the services actually performed?
- Let us know if a provider has a practice of waiving co-payments or deductibles.
- Call our Special Investigation Unit toll-free at 888-636-NALC (6252) to report suspected fraud. ✉