

Protect yourself from health care fraud



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is imperative that we use all measures to protect ourselves.

For this article, I want to bring your attention to health care fraud and how it affects the NALC Health Benefit Plan, while also offering tips to help prevent it.

First, it is important to note that the NALC Health Benefit Plan has safeguards and processes in place to reduce the negative impact of fraudulent activity. For starters, the plan has an entire department staffed with employees whose work revolves around the prevention of fraud. This is our Special Investigation Unit (SIU). One of the areas of focus for the department is to investigate reports from Plan members about suspicious activity or experiences. These firsthand reports can help identify fraudulent provider billing schemes. The top fraudulent scheme noted by our SIU is “services not rendered.” This means the HBP and our members were billed for services they did not receive.

Unfortunately, the health care industry is greatly affected by fraud. To put that into perspective, let’s look at a few statistics from our SIU for 2023:

- **1,716 cases:** The number of new cases opened in 2023. Opened cases equal any potential Fraud Waste and Abuse (FWA) issues the SIU receives or identifies for tracking within the reporting calendar year.
- **\$1.8 million:** The amount reported as overpayments. These are dollars paid by the Plan that were later determined to be FWA-related.
- **\$766,000:** The amount recovered. This relates to

When you hear the word “fraud,” what do you think of?

Cambridge Dictionary defines it as “the crime of getting money by deceiving people.”

No matter how you define it, fraud can wreak havoc on individuals and businesses alike.

According to a recent report from the Federal Trade Commission, U.S. consumers reported losing more than \$10 billion to fraud in 2023, which is a 14 percent increase over 2022. Cybercrime, bank fraud, health care fraud and much more, is a rising epidemic across the nation and it

actual money recovered by the Plan through various actions.

- **\$3.1 million:** The amount our SIU department saved the Plan. It represents claim payments that were denied because of a FWA case.

Here are some things you can do to prevent fraud:

- Do not give your plan identification number over the phone or to people you do not know, except for your health care provider, authorized health benefits plan or an OPM representative.
- Let only the appropriate medical professionals review your medical records or recommend services.
- Avoid using health care providers who say that an item or service is not usually covered, but they know how to bill insurance to get it paid.
- Carefully review all explanations of benefits (EOBs) statements that you receive.
- Periodically review your claim history for accuracy to ensure that the Plan has not been billed for services you did not receive.

If you suspect that a provider has charged you for services you did not receive, they have billed you twice for the same service, or misrepresented any information, take the following steps:

- Call the provider and ask for an explanation. There may be an error.
- If the provider does not resolve the matter, call us at 703-729-4677 or 888-636-NALC (6252) and explain the situation.

In closing, I would like to share one recent story from our SIU. In this case, a non-identified health vendor (not affiliated with the NALC Health Benefit Plan) contacted branch officials and arranged to share space at local branch or branch sponsored health fair events. On the day of the event, this vendor assured attendees all services were free, but requested a copy of their NALC Health Benefit Plan identification cards for verification purposes. Subsequently, without the members’ knowledge or approval, the information was used to bill the Plan.

Luckily, in this case we were quickly alerted by diligent members and took action to protect the Plan, i.e. prevent additional overpayments. Although this example has a positive outcome, many others do not. By working together, we have the best chance of identifying potential fraud and reducing its effect on our members.