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Prevention is the best 'medicine' to reduce risk in health care fraud and abuse

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Health care is under the microscope today, and most would agree for good reason. The U.S. spends more per capita and devotes considerably more of its economy to health care than other developed countries, according to the Kaiser Family Foundation. On average a staggering $700 billion in annual waste occurs year after year. Topping the chart of waste is 'unwarranted use' of health care at a whopping cost of $250 to $325 billion. Other wastelands of health care dollars are in administrative inefficiencies at $100-$150 billion; provider inefficiency and errors, $75 to $100 billion; lack of care coordination, $25 to $50 billion, and preventable conditions estimated at $25 to $50 billion.

Jean MacQuarrie, Vice President of Healthcare Payment Integrity Practice for Thomson Reuters, who testified in April before a sub-committee of the Census and the National Archives of the Committee on Oversight and Government Reform relayed these untenable results from her company's recent research project on combating the escalating costs in health care. Another eye-opening statistic reached by the analysts was "that fraud and abuse amounts to 19 percent of the problem or $125 to $175 billion annually." Thomas Reuters is at the forefront of innovations in technology and investigative methods to fight health care waste, fraud and abuse and is working with law enforcement, policy makers, state

officials, hospital administrators and physicians and other caregivers to fight this battle in order to reduce the cost of health care to the public.

Assisting to weed out crime in health care is the Health Care Fraud and Abuse Control Act (HCFAC), passed by the U.S. Congress and signed by the President in 2010. The HCFAC is an offshoot of the Health Insurance Portability and Accountability Act (HIPAA). The new health care act has generated a significant, and not unexpected, amount of controversy. With billions and billions of dollars at stake it comes as no surprise that the federal government would focus a strong light on health care fraud to both control health care costs and combat abuse.

HCFAC coordinates federal, state, and local law enforcement actions of health care fraud and abuse, and has had some success. During this fiscal year, "the federal government won or negotiated approximately $2.5 billion in judgments and settlements, and it attained additional administrative impositions in health care fraud cases and proceedings," according to the Department of Health and Human Services and The Department of Justice *Health Care Fraud and Abuse Control Program Annual Report for Fiscal Year 2010*.

Rightly so, the U.S. Department of Justice has made health care fraud a high priority. Cases that used to be handled civilly through administrative enforcement procedures are now increasingly travelling down parallel tracks of civil and criminal prosecution. This increased law enforcement activity corresponds with the health care reform bill's provisions which provided approximately $250 million in funding to specifically target health care fraud.

There are other changes that have occurred as a result of the pervasive fraud and abuse of public dollars in health care. The Centers for Medicare and Medicaid Services now requires annual training on how to recognize and prevent fraud, waste and abuse for all providers receiving Medicaid, and laws such as the Federal and State False Claims Acts, the Anti-Kick Back Stature, the Stark Law and customized reporting mechanism for hospitals and hospital network are in place.

In the end, transparency, accountability, laws and policies help the public to receive

quality care at reasonable costs and support honest business with the health care industry. Preventive measures like audits and staff training and procedural compliance policies for hospitals are necessary, and it is imperative that health care providers, at every level, be proactive and institute substantive corporate compliance programs. Most importantly for the nearly 6,000 hospitals across America and over 700,000 physicians is to demand accountability across their campuses and in their clinics. It doesn't do any good to have an extensive compliance program with all the bells and whistles but never utilize it.

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