

Workers' Compensation and Medical Fraud Prevention Tips

- To avoid being victimized by workers' compensation fraud, businesses can develop a safety program to help control all workers' compensation injury insurance claims, both legitimate and fraudulent. Design and maintain a safe working environment with zero tolerance for workers' compensation claimant fraud.
- If you're involved in an accident, be cautious of attorneys or people who allege to be insurance representatives and immediately solicit you for treatment at a medical facility. In some states, it is illegal for an attorney to approach victims at an accident site.
- Check your doctor's and attorney's credentials. Before seeking medical treatment or legal counsel, contact your state medical license board or bar association for information on physicians and attorneys.
- Watch for referrals. Attorneys involved in medical mill operations oftentimes insist an accident victim seek medical treatment from a specific doctor.
- Don't be talked into an injury. Be cautious if your doctor prescribes excessive treatment for minor injuries. Seek a second medical opinion.
- Talk to your insurance company. Maintain and provide records of your office visits and medical treatments to your claims representative, who can compare them to medical bills to uncover potential discrepancies and avoid unnecessary payments to dishonest medical providers.

If you suspect workers' compensation or medical fraud activities, contact the NICB in one of three easy ways:

1. Text "FRAUD" and your tip to TIP411 (847411).
2. Call 1-800-TEL-NICB (1-800-835-6422).
3. Submit a form on www.nicb.org.

Your tip can be anonymous.

For More Information

The National Insurance Crime Bureau (NICB) is the nation's leading nonprofit organization exclusively dedicated to leading a united effort of insurers, law enforcement agencies and representatives of the public to prevent and combat insurance fraud and crime through data analytics, investigations, training, legislative advocacy and public awareness.

Learn more about workers' compensation and medical fraud on the NICB's Web site at www.nicb.org.



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Workers' Compensation and Medical Fraud

Creating bitter pills for us to swallow

Fraud Solutions **now.**SM

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Tough Crimes to Swallow

The U.S. health care system is a vast network of patients, providers, facilities, insurers, medical products and related services. While its goal is to improve our health, its massive size and complexity also make it a healthy target for insurance fraud criminals.

Workers' compensation claimant fraud and medical fraud are significant contributors to our nation's annual \$30 billion insurance fraud problem. These crimes range from people who fake an injury while on the job in order to collect workers' compensation insurance, to organized criminal conspiracies of crooked physicians, attorneys and patients who submit false and exaggerated medical claims to insurance companies. We all pay the price for these crimes, and that's a bitter pill for us to swallow.

Workers' compensation and medical fraud criminals are more than just a pain to the insurance industry and the American public; they are an active menace threatening our nation's health care system. Through a range of fraud solutions, the National Insurance Crime Bureau (NICB) and the nation's property/casualty insurers are out to stop these criminals.



No Workplace is Immune from Workers' Comp Fraud

No matter how much we improve and monitor workplace safety, accidents are bound to happen. Whether an industrial accident, an office-based repetitive stress injury, or even a common slip-and-fall mishap, our nation's workers' compensation insurance system is designed to help people who have been legitimately hurt on the job.

Workers' compensation insurance is a no-fault method of paying workers for medical expenses and wage losses due to on-the-job injuries. Most states require 100 percent payment of medical and rehabilitation expenses for injured employees and up to two-thirds of wage-loss benefits while they are unable to work. These mandated benefits could result in generous payments, which makes fraudulent workers' compensation claims a tempting target for insurance criminals.

Employees committing workers' compensation claimant fraud typically either inflate the extent of their injuries or simply fabricate them in the first place. They may also conspire with dishonest doctors and attorneys to support their fraudulent claims, especially those that can be difficult to disprove, such as soft tissue injuries, strained muscles, headaches, whiplash and cumulative stress. And to make matters worse, it's not uncommon for supposedly injured employees to be caught working a second job or performing activities beyond what their claimed injury would allow.

Not only do their crimes result in higher insurance premiums for us all, but they also create other higher prices for goods and services because of other unnecessary expenses, such as production delays, retraining costs and equipment replacement. Once again, guess who pays the price for these crimes? Each and every one of us.

Mills that Create Bitter Pills

On the surface it may look like a medical clinic that legitimately treats patients, but some health care facilities are really just fronts for a growing wave of medical fraud crimes.

Every day, the NICB, law enforcement agencies and the insurance industry uncover such crimes as clinics that pay patients to participate in staged accidents and submit false medical claims to insurers; health care providers who falsely bill patients for services never rendered; and rehabilitation facilities that do not even have licensed medical professionals on-site but submit insurance claims for patient treatments.

Organized criminal enterprises committing fraudulent health care billing are called medical mills. While dishonest medical professionals are at the heart of medical mills, unscrupulous legal providers can also become involved by sending patients to corrupt doctors or knowingly representing accident victims who file false and padded insurance claims.

Medical mills can take many forms. Some of the most common are:

Fraudulent Physician -- In this crime, everything is fabricated...from the doctor who fakes his or her credentials, to the bills, to the office itself. Since patients with bogus injuries are often recruited, these offices contain little or no medical supplies and rarely prescribe actual treatment.

Double-Dipping Doctor -- While this type of medical mill provides health care services, treatment methods are frequently excessive, redundant or unnecessary. Patients are overcharged for services or billed for treatments never rendered. Bogus treatment claims are then submitted to insurers for payment.

Inflated Billing -- The most common type of medical mill is a health care provider who purposely miscodes diagnoses and inflates bills to get more insurance money.