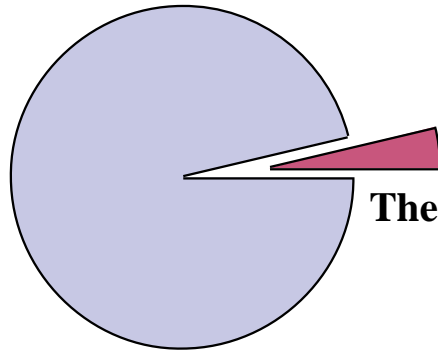


The Facts About... Health-Care Fraud

**U.S. Health-Care Spending:
\$1.1 Trillion**



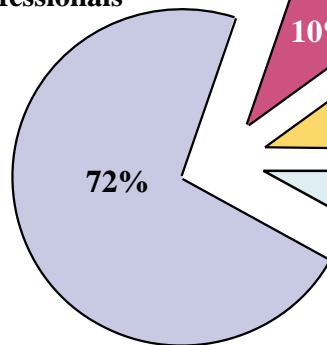
**The Cost of Health-Care Fraud:
3-5% or \$33-\$55 Billion**

Source: National Health Care Anti-Fraud Association

Health-care fraud costs Americans an estimated \$33 billion to \$55 billion annually, or about 3-5% of our nation's health expenditures, according to the National Healthcare Anti-Fraud Association, a national organization of private and public individuals responsible for the detection, investigation, prosecution and prevention of health-care fraud.

Fraud Cases By Type of Perpetrator

Doctors, dentists, chiropractors
and other medical professionals



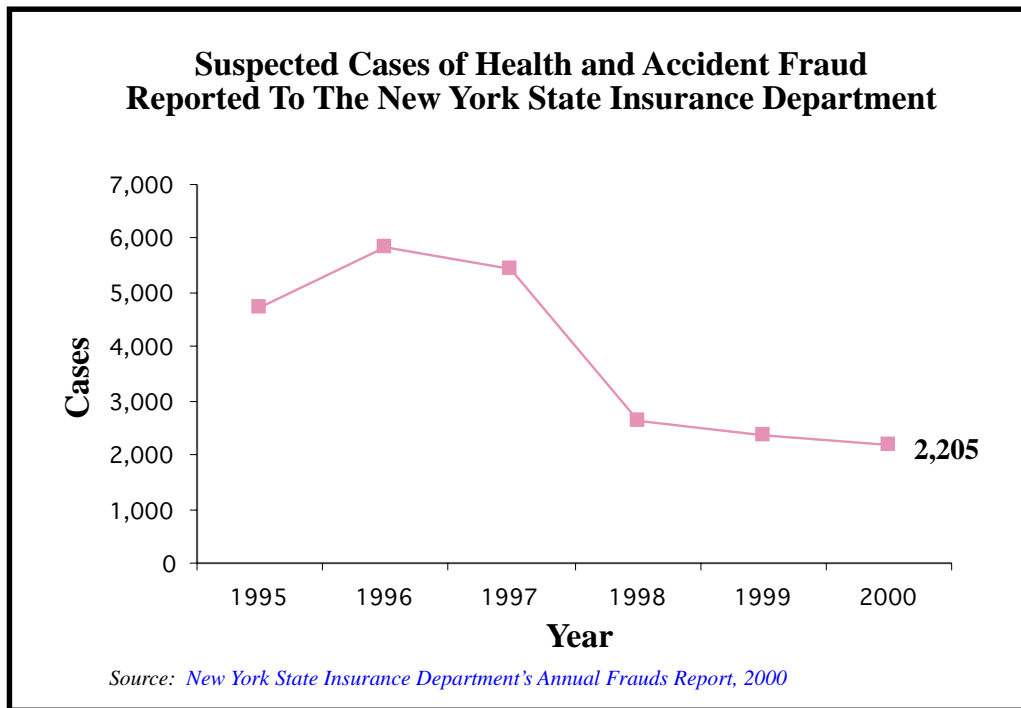
Laboratories, medical equipment suppliers,
billing agencies, pharmacies and others

Consumers

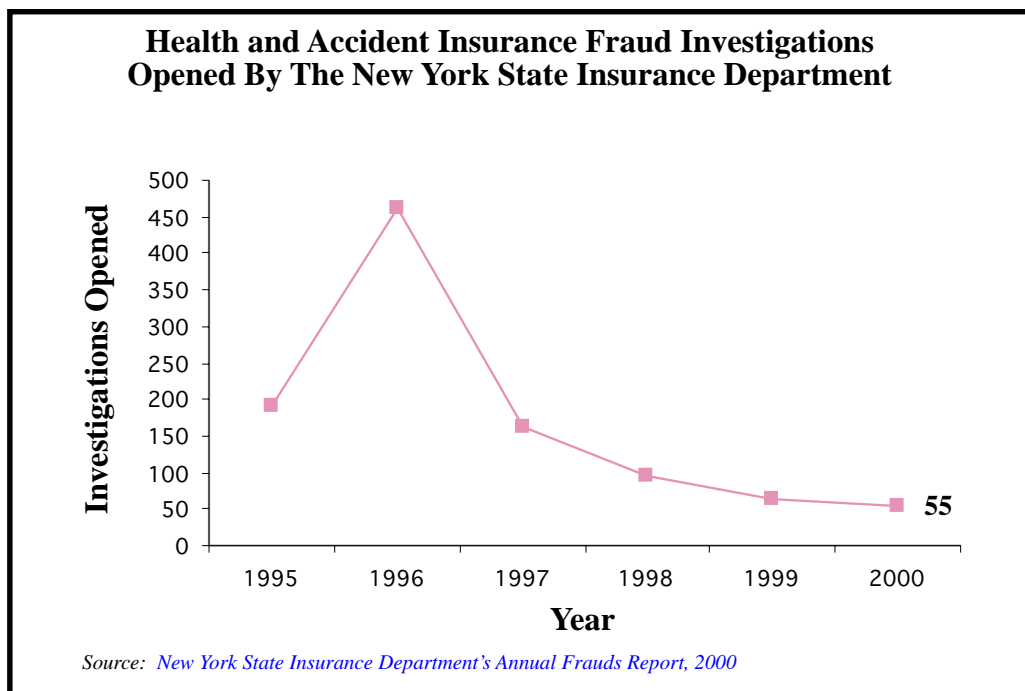
Hospitals, outpatient or ambulatory
care clinics and psychiatric hospitals

Source: Health Insurance Association of America, based on a 1999 survey conducted with the assistance of the Blue Cross and Blue Shield Association and the National Health Care Anti-Fraud Association.

The Facts About... Health-Care Fraud



New York State's number of criminal convictions in all forms of insurance fraud increased from 194 in 1999 to 318 in 2000, according to the Department of Insurance. Its annual frauds report showed a record 503 arrests were made for insurance fraud, up from 390 in 1999. The total number of suspected cases of insurance fraud increased to 22,247 in 2000 following two years of decline. The number of suspected health and accident fraud cases reported was 2,205 during 2000, a decline from 2,359 reported cases in 1999.



The Facts About... Health-Care Fraud



What Are The Most Common Forms Of Health-Care Fraud?

By Provider of Health Services

Billing for services not rendered.

“Upcoding” or the manipulation of insurance billing codes in order to gain a higher reimbursement payment.

Making a fraudulent diagnosis or applying fraudulent dates to a diagnosis.

By Consumers

Falsifying claims.

Misrepresentation on coverage applications.

False records of employment and eligibility for coverage.

Pharmacy-related fraud.

Source: [Health Insurance Association of America](#), 1999



What Do The Experts Say Consumers Can Do To Help Fight Fraud?

- Never sign a blank insurance claim form or give a blanket authorization to a provider of health services to bill “for services rendered.”
- Ask the medical provider if the services are medically necessary.
- Treat a health insurance card like a credit card. Don’t provide the numbers to anyone over the phone and report lost or stolen cards immediately.
- Keep a record of visits to physicians and other health-care providers, and check the “Explanation of Benefits” forms against those personal records to make sure that the services paid for by the insurer match the services received.
- Be suspicious if an accident occurs and a stranger recommends a particular doctor, lawyer or medical facility.
- Never do business with providers who claim they can provide a service or give away a product “for free.”
- When purchasing insurance, deal only with properly licensed professionals. Premiums should always be paid for with a check or money order that can be used later as proof of payment.