

INDICATORS OF MEDICAL FRAUD

Individuals & Professionals Involved/Circumstances & Docs Detection—The First Line of Defense

PART 1 OF 2

MOST claims are legitimate, but some are fraudulent. Therefore, it is appropriate to review all claims for possible fraud. Detecting fraud is aided by familiarity with industry identified fraud indicators.

INDICATORS assist in the identification of claims which merit closer scrutiny. The presence of an indicator (or several indicators) do not prove fraud. Indicators of possible fraud are not actual evidence, they only “indicate” the need for further investigation.

SOME claims, although questionable, may be paid due to a lack of conclusive evidence of fraud. However, they should be submitted as questionable claims to NICB for further review.

DOUBLE asterisk (**) indicates the possibility of organized group activity.

For additional information on the following indicators, please see the NICB’s Interactive Indicator Guide. This Guide is a software application providing the concern associated with each indicator as well as suggested resolution steps. The Interactive Indicator Guide is

available from the NICB Document Download Center (nicbdocs.org).

Initial Indicators: Usually identified in the initial/early processing of the application or claim.

Subsequent Indicators: Usually identified as the application or claim

processing continues. May also suggest areas of additional inquiry.

When viewed as a PDF, utilization of the bookmark function will provide the ability to choose an indicator topic or Control F can be used to rapidly locate specific key words within the indicators (e.g. address, receipts, police, etc.).

Attorney or Public Adjuster Indicators (Initial)

- Attorney is listed as the insurer on the medical bill.
- Attorney refuses to allow insured/claimant to appear for statements or IME. **
- History of attorney disciplinary actions or has been the subject of NICB ForeWarn Alerts. **
- Medical bills and narrative reports are sent from the attorney's office. **

Attorney or Public Adjuster Indicators (Subsequent)

- Medical clinic and attorney are linked together from prior injury claims. **
- Same attorney appears in all BI/WC cases involving a particular medical provider. **

Individual(s) Involved Indicators (Initial)

- Demands quick settlement, payments, decisions or commitments from medical providers.
- Documents that appear altered are provided.
- Does not use their regular family physician. **
- Identified in previous NICB Questionable Claims. **
- Phone number is not provided or states they do not have a home telephone or cellular phone and/or they will contact the adjuster or agent. **
- Refuses to sign authorization forms for release of medical records or other pertinent information.
- Unusually familiar with insurance terms or procedures such as - medical terminology, workers compensation claim handling procedures and laws, vehicle repair terminology, coverage and special limits. **

Individual(s) Involved Indicators (Subsequent)

- Address of patient is located unusually far from the clinic/center. **
- Charges on the bill are refuted by the patient.
- Description (in detail) of the clinic or medical provider and medical staff can't be provided by the patient. **
- Description of the physical aspects of items appearing on the bill (e.g. ROM test exercises) cannot be provided by the patient. **
- Description of the treatment process provided by the patient is inconsistent with the treatment information in the bill.
- Description of the type and duration of treatment cannot be provided by the patient. **
- Patient indicates the provider listed on the bill is not the same person providing treatment. **
- Patient questions the amount of diagnostic imaging tests ordered. **
- Price of treatment quoted to the patient is much lower than the price on the bill. **
- Several or all of the individuals treat with the same clinic or provider, often on the same dates. **

Medical Fraud Indicators – General (Initial)

- Clinic address is a P.O. Box number. **
- Contact with clinic is difficult.
- History of medical conditions/treatment for patient not present in the documentation. **

- Medical reports are identical (boilerplate) to other reports from same medical provider. **
- Provider has been identified in multiple previous questionable claims. **

Medical Fraud Indicators – General (Subsequent)

- Building/office has no furniture. **
- Building/office is too small to operate a clinic. **
- Clinic does not have patient sign-in sheets or patient signatures appear to be signed all at one time. **
- Clinic has a history of solicitation. **
- Clinic is in an odd location. **
- Clinic ownership is questionable. **
- Clinic was recently incorporated. **
- Information exists of a D.C./M.D. collusion to provide unnecessary pain management/prescriptions (e.g. compounded topical pain management cream). **
- Information exists of payments/commissions from a diagnostic test provider to the ordering practitioner. **
- Location/address of the clinic has inadequate, inconvenient, or no parking for patients and staff. **
- MRI (Magnetic Resonance Imaging) facilities misconstrued as medical facilities that are not owned by a licensed medical professional. **
- Neurologist (or other specialty) is seen by all or nearly all patients regardless of diagnosis. **
- Notes of medical provider contain no indication of checking the patient's treatment progress/improvement of symptoms. **
- Provider Tax Identification number (TIN) is real, but medical identity theft is suspected.
- Provider is a recent graduate with a high student loan debt. **
- Provider only treats patients that are represented by an attorney. **
- Provider utilizes established and trusted files, members, insured, patients, and doctor's information without their knowledge. **
- Provider/Clinic doesn't allow a clinic inspection to be conducted or makes scheduling an inspection appointment very difficult. **