College of Insurance
Insurance Institute of India
Mumbai

Report on Workshop on Controlling Fraud and Abuse in Health Insurance

College of Insurance, Insurance Institute of India organised a Workshop on Controlling Fraud and Abuse in Health Insurance on Feb 23rd -24th 2012. The Workshop witnessed great participation from insurance companies, third party administrators (TPAs), healthcare providers, medical practitioners, IT companies, investigating agencies involved in health insurance fraud control. The Workshop also attracted participation from professionals from streams like reinsurance, actuarial studies as well as academicians and consultants. Two days of presentations and discussions allowed participants to share notes and experiences on common issues, recent trends, how the industry is tackling fraud through multi-pronged approach combining technology, experience, analytics, triggers, investigations etc. and further what need to be done at collective level by the industry going forward.

In his keynote address, Shri R Chandrasekaran, Secretary General, General Insurance Council appreciated the initiative taken by Insurance Institute. He noted the various aspects of fraud, connivance of various parties, impact on pricing and penetration, remedies and measures, the need for industry to work together and also assured support from GI Council.

Some of the key suggestions that emerged from the deliberations are listed below:

- **Formation of Anti-Fraud forum** under the aegis of General Insurance Council with adequate powers to take action

- **Establishing a knowledge and information sharing platform** on continual basis, to study, research and document issues like quantum of fraud, triggers of fraud, modus operandi of fraudsters, best practices and case studies etc. Insurance Institute of India to play nodal agency for same

- **Publishing a White Paper** on Health Insurance Frauds, to make the Workshop an annual event, invite international forensic experts on fraud control etc.

- **Need to specifically define** fraud, abuse and leakage in the policy document or at industry level by General Insurance Council. *(This was found essential in the absence of commonly accepted legal definitions/ IPC Sections dealing with insurance fraud.)*

- **Need to design fraud management policy framework** with laid down processes, authority and responsibility matrix at organisation level by each company, a separate department with defined responsibility and performance criteria.

- **Need to develop professional investigating agencies** with trained and qualified manpower

- **Facilitation of whistle blowers** to confidentially report incidents of fraud, malpractices etc, under the aegis of General Insurance Council or Health Forum

- **Liaison with medical bodies** like NABH and MCI for better support, transparency and reporting of provider practices, medical protocols, issues concerning healthcare quality, delivery and pricing etc.

- **Collation and Standardisation** of alerts, triggers, scoring methods (including mass schemes like RSBY) and development of 'proof of concept' for effectiveness of the same by IT companies and insurers jointly.

Specific areas where detailed presentations were made by domain experts and by the 4 working groups of the Workshop are given below:

- Evolving portfolio of health insurance and its impact on industry profitability
- Anti-Fraud Forums in other developed markets
- TPA practices in Middle East and in India to check fraud
- Reinsurer perspective on controls on underwriting side
- Shifting nature of fraud and evolving techniques to control
- Best practices by insurers and investigation agencies
- Provider perspective on fraud control
- Defining Fraud, Abuse and Leakage
- Methods for prevention and detection of fraud
- Fraud control – IT interventions and solutions
- Fraud control in RSBY - Triggers and investigation
- Action against fraud, collaborative platform

Shri Chandrasekaran's address notes, Workshop presentations, the list of participants and report on the workshop can be viewed/downloaded from Insurance Institute Website - www.insuranceinstituteofindia.com, Home page>Download>Fraud Control Workshop. Prior to the Workshop, many organisations and professionals contributed to collation of best practices and case studies, knowledge sharing papers, score based triggers etc. the same are also hosted on the Website, same section.

Photographs and video clippings of different sessions are uploaded on Youtube < url _____ >.