



Peter Adeyemi

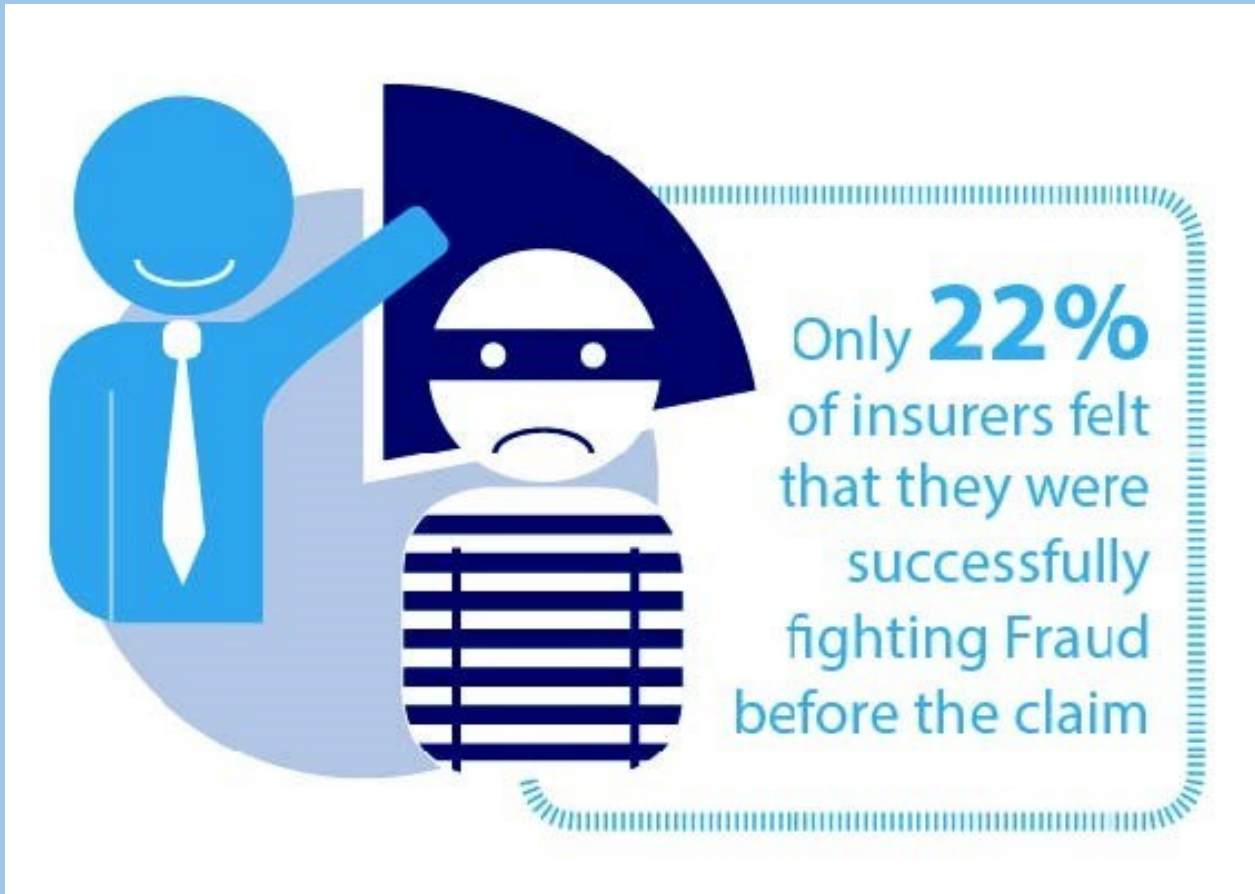
Chief Operations Officer
Curacel, Nigeria

What lessons should we learn from elsewhere in tackling errors, fraud, waste and abuse and how can technology help?



Using Technology To Tackle Insurance Fraud

What lessons should we learn elsewhere from tackling errors, fraud, waste and abuse?



What could you do with \$487 billion? If you work in healthcare, the answer is: a lot. You could cover the total annual healthcare costs of more than 27% of all European Union countries, for example. Or pay for South Africa's annual healthcare expenditure 14 times over. And yet this huge sum – equivalent to around 7% of the world's average annual healthcare costs – is lost every year through healthcare fraud, according to the latest WHO estimates.

“If we can reduce fraud, insurance companies will become more profitable and then they can scale, and offer other insurance products to capture a better part of the market.” – Henry Mascot

Lessons from advanced markets about tackling FWA

- 1. Being Proactive*
- 2. Deploying Technology*
- 3. Analysing Data*

1. *Being Proactive*

Detect Fraud Before It Happens

Far too many times, fraud is detected after the fact.

Typically, fraud is handled as an afterthought. Many businesses wait until fraud happens to put a system in place.

1. *Being Proactive*

Identify and understand the different use-cases and scenarios

- *Underwriting*
- *Claims*
- *Collusion*

1. *Being Proactive*

Understanding FWA in Health Insurance

- ❖ *Waste comes about through 'errors', such as unintentional one-offs that result from keying an incorrect value, misinterpretation of correct coding requirements, or the misuse of modifiers.*
- ❖ *Abuse happens due to inconsistency with sound fiscal, business, or medical practice in which, for example, coding to a higher level of service than actually provided or billing for medically unnecessary services*
- ❖ *Fraud - a scheme used to obtain unauthorized or unearned benefit through intentional deception or a repeated pattern of billing behavior for services, procedures, or equipment that were never actually rendered.*

- *Being Proactive*

Recognise the different use-cases, although not exhaustive:

- ❖ *Billing for services not rendered*
- ❖ *Upcoding services and medical items (where the provider submits a bill using a code that yields a higher payment than for the service or item that was rendered)*
- ❖ *Filing duplicate claims*
- ❖ *Unbundling (billing in a fragmented fashion for tests or procedures that are required to be billed together at reduced cost)*
- ❖ *Performing excessive services*
- ❖ *Performing unnecessary services*
- ❖ *Offering kickbacks*
- ❖ *Ghost enrollees*

1. *Being Proactive*

Deploy systems and processes, aided by technology

2. Deploying Technology

- *Artificial intelligence & Machine learning technology*
 - *Anomaly Detection*
 - *Predictive Models*
- *Verification technology*
 - *Biometrics*
 - *USSD*
 - *Email/whatsapp/SMS*
 - *Location-based verification*
- *Blockchain technology...allowing data to be collected that tracks user behaviour among others*
- *Flag providers with consistently dubious claims*

3. Data Analytics

- *The amount of data at your disposal will continue to grow*
- *The question is, what are you doing with your data?*
- *Benefits of data analytics*
 - *To improve your service to your clients,*
 - *To make decisions based on real data, not projections,*
 - *To understand more about your relationships with your partners, clients, enrollees and providers*
 - *To gain operational insights, e.g. which drugs are most commonly used, and what product can you build around this? Revolutionise consultation, etc.*
 - *Ultimately, to set the tone of your business and help you in the fight against FWA.*

WHAT DO WE BENEFIT FROM APPLYING THESE LESSONS?

- *Increase client satisfaction - 360 degree of happiness*
- *Help focus attention on creating more innovative insurance products*
- *Help you to make quick decisions*
- *Cut back on losses and costs*
- *Deliver the opportunity to be proactive instead of reactive*
- *Become successful, ultimately*

To efficiently prevent the loss, insurance companies need a partner and technology that can help:

- **Manage claims efficiently.** Using an advanced claims automation and management system.
- **Detect fraud quickly.** Using AI-powered fraud detection engine before claims settlement.
- **Quickly uncover new fraudulent cases.** Assess all claims from first notice of loss (FNOL) to quickly recognize suspicious activities and prevent large losses.
- **Lower total cost of operations and ownership.** Take advantage of a highly secure cloud environment with prebuilt fraud detection models for faster implementation and quicker ROI.

claimAPI

 Health:

Connecting health providers with insurers

 Auto:

Connecting policyholders with insurers

\$23M

Value

700k

Transactions

2000

Health Providers

15

Insurers



fraudAPI

 Health:

Automated claim adjudication + fraud detection

 Auto:

Damage classification + price estimation

THANK YOU