

Ways to protect your practice from health care fraud :

No matter what type of health service you provide the risk of fraud is always present. While it is difficult to predict if your practice will be victimized, there is a lot you can do to protect your practice from health care fraud.

We have collected some of the best practices that our clients and risk management experts recommend to help you inoculate your practice against fraud. Use this checklist to determine how secure your business is and to offer some cost-effective ideas that we are confident will help you minimize the risk of fraud in your practice.

Although our association does not offer risk management consulting services, you are welcome to contact us for referrals. We are fully committed to help strengthen security in the Canadian health care system in order to guard it against fraud and abuse.



Office Security

1. **Insist staff take some holidays over the course of the year.** Fraud is often uncovered when the fraudster is out of the office or away on holidays. Be wary of staff who refuse any time off.
2. **Implement separate alarm codes.** Fraudsters need time and privacy to cover up their activities. This is often accomplished after hours when the office is empty. A good way to monitor this kind of behaviour is to implement separate alarm codes for each staff member so that you are able to track who is entering and exiting the office.

Financial Transactions

3. **Maintain security controls over payroll and payment transactions** (e.g. interac, cash, and cheques). Staff should not be able to issue refunds without supervision, nor should they be able to add people to the payroll without your explicit approval. Thieves can add fictitious staff members to your payroll, collecting the salary and benefits for themselves.
4. **Conduct a monthly review of financial transactions and patient records.** It's often difficult to detect fraud, particularly if there is only one individual handling all office administration.
5. **Use pre-numbered cheques, invoices and receipts.** Stolen cheques can be used to make fraudulent payments, while invoices and receipts can be fabricated and then submitted to you as legitimate billings. Numbering these documents will allow you to track financial transactions and will help to facilitate the audit process.
6. **Have all bank statements delivered to your home address.** Banks statements are one of the best ways for you to monitor any fraudulent transactions that might be taking place in your practice. Fraudsters will often attempt to withhold or alter this information before you view it.



Computer Systems

7. **Deploy a computer system in your practice.** Generally speaking, this will greatly reduce the risk of fraud and make it easier to perform a financial audit.
8. **Create separate computer passwords for each employee** so that you can identify the author of any suspicious transactions.



Resume Fraud

9. **Fact-check all applications and resumes.** Chances are, if someone is committing fraud in your practice, it's probably not their first time. You can learn a lot by carefully checking employment history to verify information contained in resumes. It would certainly not be beyond a fraudster to give false information for their references. When checking references, be sure to look up contact numbers yourself and ask questions in order to verify that the person you are speaking is who they say they are.



Patient Identity Fraud

10. Receptionist should positively verify the identity of new patients by making a copy of their driver's license and/or health card.
11. Verify patient's ID at visit by asking "open-ended" questions.
12. Keep all prescribing documents in a secure location.
13. Insist that you see the patient and ID them if you are not positive about identification.

Office fraud is a serious problem that costs dentists and other health care providers millions of dollars each year. By taking the time to read this document, you have taken a major step toward increasing the integrity of your practice. Moving forward, we would certainly encourage you to implement as many of these risk management mechanisms as possible.

If you have any questions about health care fraud and what you can do to prevent it, please don't hesitate to contact the CHCAA at the number located on the back of this brochure. We will also be pleased to provide more information on professional services that can help you to fraud-proof your practice.



About the Association

The Canadian Health Care Anti-fraud Association (CHCAA) was founded in 2000 to give a voice to the public and private sector health care organizations interested in preventing fraud in the Canadian health care environment.

- ♦ Educate and create awareness about issues and efforts to fight health care fraud among the Canadian public, health care consumers, providers, suppliers, and members of the CHCAA.
- ♦ Build public, private, national, and international partnerships with law enforcement, health regulatory bodies, consumer groups, and provider associations to protect the Canadian health care system from fraud.
- ♦ Respond to changes in the health care system resulting from various factors such as changing demographics, changes in treatment methodologies and technologies, and changes in public policy and funding, as well as changes in information technologies.

Canadian Health Care
Anti-fraud Association
386 Huron Street
Toronto, Ontario M5S 2G6
Tel: (416) 593-2633
Fax: (416) 596-9532

www.chcaa.org

Canadian Health Care Anti-fraud Association



Is Your Practice at Risk?

