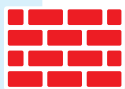


Minimize your exposure
to enrollment fraud



While the introduction of healthcare marketplace exchanges drew attention to exchange fraud being initiated by members and brokers, the act of enrolling fraudulent identities predates the existence of the exchange, costing insurers millions of dollars in losses associated with illegal claims payments, broker commission payments and legislative fines. In 2011, the National Health Care Anti-Fraud Association (NHCAA) conservatively estimated that 3% of all healthcare spending was lost in healthcare fraud and improper payments. LexisNexis® Health Care offers solutions designed to verify member enrollee information that can be used to identify leads for investigations to help prevent fraud and facilitate legal compliance as it relates to member enrollment.

The problematic landscape



Member fraud – Individuals are committing fraud in order to get insurance and, because the enrollment process is primarily electronic, detection is made more difficult as individuals remain hidden behind cyber walls.



Provider fraud – Industry leaders have identified growing trends in provider fraud. Unscrupulous providers are netting millions of dollars by purchasing policies from complicit patients or enrolling them without their knowledge and submitting large claims in their names.



Broker fraud – It has become increasingly easy for individuals to enroll themselves which has greatly reduced the need for brokers. This shrinking demand has caused brokers to seek new ways to maintain income levels. As a result, there is the potential for an increase in fraudulent tactics, like:

- Enrollments of non-existent individuals using fictitious identity information;
- Enrollments using the information of deceased individuals; and
- Enrollments using an address that is different than the enrollee's primary residence.

Beyond the direct costs linked to member, provider and broker fraud losses, insurers are also exposed to the risk of fines and reputational damage for failure to meet compliance mandates. Many plans, including those that offer Medicaid or Medicare supplements, can be fined thousands of dollars for every claim that is paid to fraudulent enrollees under the False Claims Act.

Identity verification provides a solution

Whether enrollments originate from an individual or a broker, LexisNexis® InstantID® for Healthcare allows you to reveal inconsistencies in applicant and account information that are not evident in standard verification and validation processes. The key to detecting applications that may warrant further investigation for fraud is the ability to analyze and verify the enrollment data being submitted.

The U.S. Government Accountability Office (GAO) stated, “approximately \$34 billion of the government wide improper payments in fiscal year 2016 were caused by the inability to authenticate eligibility.”

InstantID for Healthcare has the ability to compare enrollment data to vast quantities of public records data, gathered from thousands of reliable sources, to identify potential inaccuracies in the enrollment information being collected and submitted to the health plan.

Customers submit a batch file of enrollees to LexisNexis and InstantID for Healthcare quickly identifies and flags suspicious enrollments for further investigation. Using an analytic scoring solution, InstantID for Healthcare produces easy-to-interpret, fraud-indicative warning codes for high-risk conditions. Individuals are also scored according to their calculated risk to commit fraud, giving you the ability to pinpoint suspected fraud and easily prioritize follow up actions to verify if fraud exists and “stop the bleeding” before the exposure to the organization expands. Not only will you be better able to identify legitimate new members, but you’ll also be doing it quickly. This frees up valuable time to handle larger volumes of work or focus attention on other pressing business needs.

Enrollment fraud is costing insurers millions of dollars in losses. LexisNexis compares enrollment data to vast amounts of public records data to authenticate identities and verify the accuracy of the enrollment data.



Our unique approach to data and identity analytics provides significantly more insight into enrollees by going well beyond the basic review process to verify and correct layers of information, including:

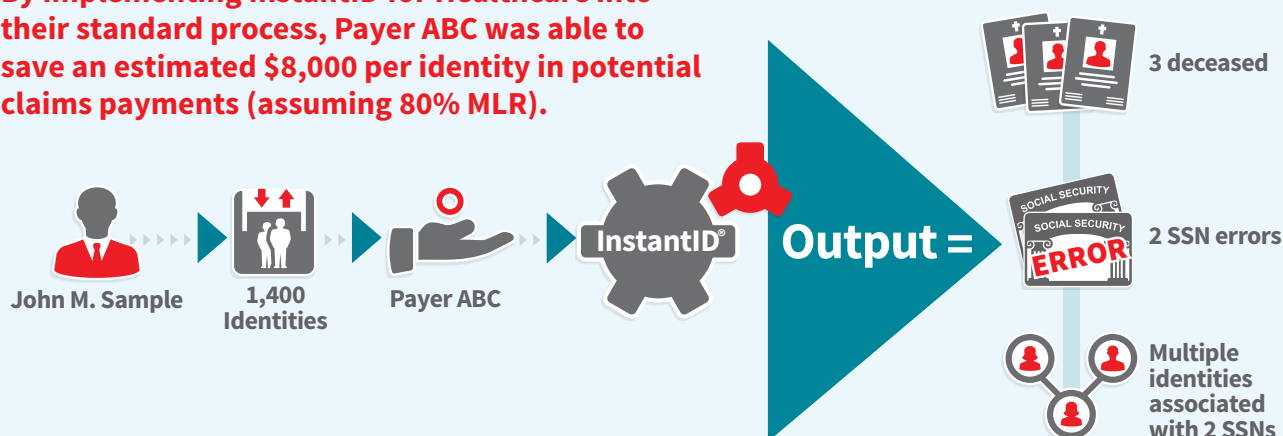
- Date of birth (age)
- Date of death
- Suspect activity associated with addresses provided
- Other suspect activity and fraud indicators

There is a misconception that enrollment fraud is more difficult to stop today because most transactions are completed electronically, such as the case with marketplace exchanges. The reality is that with the right technology, which happens to be affordable and easy to implement, enrollment data verification can be surprisingly simple and highly effective at generating leads to investigate further for fraud—especially when considering the ROI generated through cost avoidance.

Example

This year, Payer ABC received records on 1,400 new identities for enrollment from John M. Sample, an owner of an adult rehabilitation facility. As a part of their standard process, Payer ABC ran each of the identities through LexisNexis InstantID for Healthcare and found that out of the 1,400 records submitted, three of the identities were flagged as deceased, two of the identities had input social security numbers that were issued prior to their date of birth and there were multiple Identities associated with two of the input SSNs. They used this information to investigate further and discovered that John M. Sample had purchased the company under a “straw” identity and had used the personal identifying information of beneficiaries in the company’s old files to attempt to enroll ineligible members into the healthcare system.

By implementing InstantID for Healthcare into their standard process, Payer ABC was able to save an estimated \$8,000 per identity in potential claims payments (assuming 80% MLR).



For more information, call 866.396.7703 or visit
risk.lexisnexis.com/healthcare



Health Care

About LexisNexis® Risk Solutions

At LexisNexis Risk Solutions, we believe in the power of data and advanced analytics for better risk management. With over 40 years of expertise, we are the trusted data analytics provider for organizations seeking actionable insights to manage risks and improve results while upholding the highest standards for security and privacy. Headquartered in metro Atlanta USA, LexisNexis Risk Solutions serves customers in more than 100 countries and is part of RELX Group plc, a global provider of information and analytics for professional and business customers across industries. For more information, please visit www.risk.lexisnexis.com.

Our healthcare solutions combine proprietary analytics, science and technology with the industry’s leading sources of provider, member, claims and public records information to improve cost savings, health outcomes, data quality, compliance and exposure to fraud, waste and abuse.

InstantID provided by LexisNexis is not provided by “consumer reporting agencies” as that term is defined in the Fair Credit Reporting Act (15 U.S.C. § 1681, et seq.) (“FCRA”) and does not constitute a “consumer report” as that term is defined in the FCRA. InstantID may not be used in whole or in part as a factor in determining eligibility for credit, insurance, or employment or for any other eligibility purpose that would qualify it as a consumer report under the FCRA. Due to the nature and origin of public record information, the public records and commercially available data sources used in reports may contain errors. Source data is sometimes reported or entered inaccurately, processed poorly or incorrectly, and is generally not free from defect. This product or service aggregates and reports data, as provided by the public records and commercially available data sources, and is not the source of the data, nor is it a comprehensive compilation of the data. Before relying on any data, it should be independently verified. LexisNexis and the Knowledge Burst logo are registered trademarks of RELX Inc. InstantID is a registered trademark of LexisNexis Risk Solutions FL Inc. Other products and services may be trademarks or registered trademarks of their respective companies. Copyright © 2017 LexisNexis. All rights reserved. NXR12092-02-1117-EN-US