

An effective treatment for
medical provider fraud

Utilize data and analytics to
reduce the impact of swelling
medical claims fraud, waste
and abuse.

Across all lines of business, annual losses from medical claims fraud, waste and abuse are now in the hundreds of billions of dollars. Within the property and casualty industry, the Insurance Research Council estimates that 18-27% of bodily injury claims and 12-17% of personal injury claims contain some form of fraud, waste and abuse.¹ With LexisNexis® Claims Medical Discovery, auto and workers' comp carriers can access a cure for this industry-wide epidemic.

Why traditional methods are incomplete

Attempting to identify and prevent fraud solely through bill review is an inadequate approach because:

- This myopic perspective only sees a single, isolated claim at one point in time—with no historical or relational context.
- Reviewing every bill manually, without the support of data analysis, often fails to reveal more subtle indicators of fraud.
- Fraud indicators on a single bill provide no evidence of a recurring pattern and are often chalked up to human error.
- Bill review rules can be easily learned and exploited by practitioners.

Expanded data leads to expanded insights

Not only does LexisNexis Claims Medical Discovery aggregate your own data more effectively, it also layers data from other insurance carriers. With this added layer of information, you can compare your provider's behavior with their billing and treatment patterns at other carriers. The expanded provider view provides greater confidence concerning which providers to pay, monitor or investigate immediately.

Leveraging a wide range of data sets and advanced analytics, LexisNexis® Claims Medical Discovery provides:



A clearer, more complete picture of provider practices



The ability to efficiently resolve provider identities



Identification of false and fraudulent identities

Advanced analytics turns data into actionable intelligence

Using advanced analytics and linking technology, LexisNexis Claims Medical Discovery identifies potential fraud through a progressive three-step process:

Provider-level detection and prevention



Step 1. Gain a more comprehensive view of medical providers

Accurately resolving a provider's true identity and determining which identity information belongs to this particular provider is the first step to successful medical fraud detection. Providers looking to commit claims fraud use a variety of tactics to submit claims under false, duplicate, stolen or deceased identities. LexisNexis Claims Medical Discovery accesses one of the nation's largest medical provider databases. Using linking technology, this powerful solution reconciles discrepancies

in data and exposes potentially fraudulent provider identity data.

Step 2. Accelerate identification of fraud, waste and abuse

LexisNexis Claims Medical Discovery recognizes a wide range of medical claims fraud indicators. For example, previous instances of non-medical fraud, such as financial or tax fraud, or suspicious patterns in a provider's medical claim, will be flagged. Through comparative analytics applied to provider claims history over long periods of time, LexisNexis Claims Medical Discovery can reveal suspicious behavior patterns that would otherwise be difficult to recognize. This step is designed to determine which providers warrant further investigation. Output can also include prioritization ranking based on the likelihood and scope of fraud.

Comparison analytics enable carriers to:

- Gain transparency and insight into ongoing outlier provider behavior and claims
- Reveal suspicious provider patterns
- Flag providers of interest for monitoring and further review

Step 3. Drill down using powerful case-building tools

Once "providers of interest" have been identified and prioritized, LexisNexis Claims

The power of comparison analytics

By comparing a single provider's claims history to industry standards and averages, as well as their behavior with other carriers, unusual activities and patterns can be easily recognized and flagged. Peer comparison models leverage multiple types of data, including:

- **Time-based profiles:** Determining if billed hours for procedures are in line with industry averages and if they fall during unusual times or on weekends and holidays

- **Procedure codes:** Checking for unusual procedures and/or frequency
- **Diagnostic codes:** Analyzing the frequency of diagnostics for certain injuries
- **Treatments:** Verifying that treatments align with diagnostics

Medical Discovery allows users to monitor suspicious providers and drill down into bill-level data to conduct more detailed investigations. Through peer-based scoring, auto and workers' comp insurers are able to more effectively allocate resources and easily gather solid evidence to prove medical claims fraud. Provider-level analytics exposes potential fraud and provides prioritization for deeper bill-level investigations and evidence gathering.



Expanded data to answer key questions

Is the provider's behavior an anomaly compared to similar providers in your dataset?

How does a new provider's billing patterns compare to their billing patterns with other carriers?

LexisNexis Claims Medical Discovery is the best defense against medical claims fraud

Medical providers that commit fraud are criminals that are responsible for stealing hundreds of billions of dollars every year. Medical claims fraud is a serious offense and a major contributor to losses the industry faces annually. Now auto and workers' comp carriers can protect themselves with data and analytics that provide unprecedented clarity and insight into provider behavior—a cure that can substantially reduce fraud losses.

For more information, call 800.458.9197 or email insurance.sales@lexisnexis.com



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Our insurance solutions assist insurers with automating and improving the performance of critical workflow processes to reduce expenses, improve service and position customers for growth.

¹ Fraud and Buildup in Auto Injury Insurance Claims (Study) - Insurance Research Council 2015

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