



**BlueCross BlueShield
Association**

An Association of Independent
Blue Cross and Blue Shield Plans

News Release

Blue Cross and Blue Shield
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For Immediate Release:
June 19, 2008

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Blue Cross And Blue Shield Anti-Fraud Units Recover And Save More Than \$249 Million In 2007

Plan representatives call efforts key to Blue companies' stewardship of healthcare dollar

WASHINGTON – Blue Cross and Blue Shield companies' anti-fraud investigations resulted in overall savings and recoveries of more than \$249 million last year, according to data released by the Blue Cross and Blue Shield Association (BCBSA). The combined return and savings result for all Blue Cross and Blue Shield companies' anti-fraud units was \$5 dollars for every \$1 dollar spent on anti-fraud efforts.

BCBSA released the findings from its annual survey of Blue Cross and Blue Shield companies' anti-fraud activities at a briefing to highlight the growing problem of healthcare fraud and medical identity theft. Panelists at the briefing included Gregory W. Anderson, chair of the BCBSA National Anti-fraud Advisory Board (NAAB) and vice president, corporate and financial investigations, Blue Cross Blue Shield of Michigan; Michael Brandt, senior manager, special investigations, Blue Shield of California; and James Quiggle, director, communications, Coalition Against Insurance Fraud.

“Blue Cross and Blue Shield companies – in partnership with consumers, law enforcement, licensing boards, and authorities – are actively identifying and pursuing healthcare fraud

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as part of our efforts to assure healthcare affordability,” said Byron Hollis, managing director of BCBSA’s National Anti-Fraud Department. “Healthcare fraud wastes critical resources, and our investigations can help make sure money is being spent on healthcare that meets consumer needs. “

Blue Cross and Blue Shield companies’ anti-fraud investigators collectively prevented \$134 million from being spent on fraudulent or erroneous medical claims, while recouping nearly \$115 million paid on fraudulent claims. Nationally, Blue Cross Blue Shield companies’ anti-fraud investigators opened 13,424 cases.

Other statistics from the BCBSA survey include:

- Nearly 10,000 cases involving providers were investigated;
- 654 cases were referred to law enforcement officials;
- 274 cases were sent to professional licensing authorities;
- 350 cases resulted in arrests and/or indictments;
- 259 cases led to criminal convictions; and
- Blue Cross and Blue Shield Plan customers made more than 4,000 calls to anti-fraud hotlines.

Panelists said healthcare fraud can take on many forms. “Medical identity theft is the fastest growing form of healthcare fraud, which continues to be a major financial drain on the health system,” said Brandt. According to the recently released Federal Trade Commission’s *2006 Identity Theft Survey Report*, 3 percent of the 8.3 million identity theft victims in 2005 had their personal information falsely used to obtain medical treatment and services.

“Consumer awareness and education is a key focus of Blue Cross and Blue Shield companies’ anti-fraud efforts,” said Anderson. “Coordination is also important, and Blue companies often work together on large medical identity theft cases that include different entities working together across state lines. We urge anybody with information concerning potential healthcare fraud to call the national hotline number at 1.877.327.BLUE.”

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Quiggle said medical identity theft can be dangerous as well as financially devastating. “Elaborate fraud rings using complicated schemes to maximize the use of stolen medical identities have become more commonplace,” he said.

Panelists urged consumers to take more active roles in preventing healthcare fraud by reading and understanding their Explanation of Benefits (EOB). They also recommended that consumers check with their provider’s office if there are inconsistencies on their EOB, or contact their health insurers if they have additional questions.

Blue Cross and Blue Shield Plan members can report suspected fraud through a national hotline number, 1.877.327.BLUE, and Web site (www.bcbs.com/blueresources/anti-fraud/report-fraud.html). In addition, a brochure for consumers, “One Problem. 300 Million Victims. What You Need to Know About Healthcare Fraud,” is located at: www.bcbs.com/blueresources/anti-fraud/anti-fraud-consumer-brochure.pdf. An interactive Explanation of Benefits tool is located at: www.bcbs.com/blueresources/anti-fraud/explanation-of-benefits.html.

The webcast of this event can be viewed on: www.bcbs.com/news/bluetvradio/medical-identity-theft-forum/.

The Blue Cross and Blue Shield Association is a national federation of 39 independent, community-based and locally operated Blue Cross and Blue Shield companies that collectively provide healthcare coverage for more than 100 million individuals – one-in-three Americans. For more information on the Blue Cross and Blue Shield Association and its member companies, please visit www.BCBS.com.

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