New strategies in fight against medicare and medicaid fraud could benefit your health

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(University of Cincinnati) University of Cincinnati research shows advances in data analysis technology are proving to be effective weapons for controlling the billions of dollars lost to Medicare and Medicaid fraud.

The annual bill for Medicare and Medicaid fraud hit 11 digits in 2012. That's tens of billions.

The numbers might be daunting, but University of Cincinnati research shows that recent strategies to combat this unique form of white-collar crime are increasingly effective.

"Estimates show that Medicare and Medicaid fraud cost somewhere in the range of $29.8 billion to $99.4 billion in 2012," says Michael T. Czarnecki, a doctoral student in UC's College of Education, Criminal Justice, and Human Services. "This means that every day in 2012 Medicare and Medicaid fraud averaged between $81.5 million and $271.5 million, with every hour averaging between $3.4 million and $11.3 million lost to fraud. But the evolution of fraud control strategies has demonstrated some effectiveness in combating this problem."

Czarnecki will present his research "Medicare Fraud: The Controllers are Fighting Back" at the Academy of Criminal Justice Sciences (ACJS) annual meeting to be held Feb. 18-22 in Philadelphia. The ACJS is a 50-year-old international association of scholars and professionals dedicated to promoting criminal justice education, research and policy

analysis. Czarnecki's research reviews what's known about Medicare and Medicaid fraud and how it's controlled, especially how control strategies have evolved during the past decade.

Medicare loses billions of dollars to fraudulent claims every year, according to U.S. Department of Health and Human Services and the Department of Justice. Some examples of Medicare fraud provided by these departments include: a health care provider bills Medicare for services you never received; a supplier bills Medicare for equipment you never got; and a company uses false information to mislead you into joining a Medicare plan. Ultimately, the fraud raises health care costs for everyone.

Recent advances in data analysis technology have given federal controllers, such as the Health Care Fraud Prevention and Enforcement Action Team, new and effective weapons in the fight against fraud, Czarnecki says.

"Controllers are getting better at identifying irregular and suspicious patterns in claim submissions," he says. "Collaboration and data sharing between agencies have improved. Teams are focusing their efforts in cities identified as hot spots."

The results are encouraging. Czarnecki's research shows that for every dollar spent to control fraud from 2009-2011, $7 was returned. In fiscal year 2011, $2.5 billion of Medicare funds were recovered; in 2012, more than $3 billion was recovered.

"Every dollar that is saved from fraudsters can be reallocated to some useful purpose such as providing better health care or reducing overall health care costs," Czarnecki says.

Provided by University of Cincinnati

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