

foresight
dialogues 2018



Understanding behaviour to mitigate fraud, waste and abuse

Varieties of fraud, waste and abuse

False claims

Irregular coding

Over-charging

Over-servicing

Kickbacks

Syndicates

Illegal service providers

Identity fraud



Costs of fraud, waste and abuse

Inefficient allocation of resources

**Estimates range between
R10 billion - R20 billion**

Circumstances allowing for fraud, waste and abuse

Opportunity

Fraudster can imitate an acceptable claims submission
...meanwhile





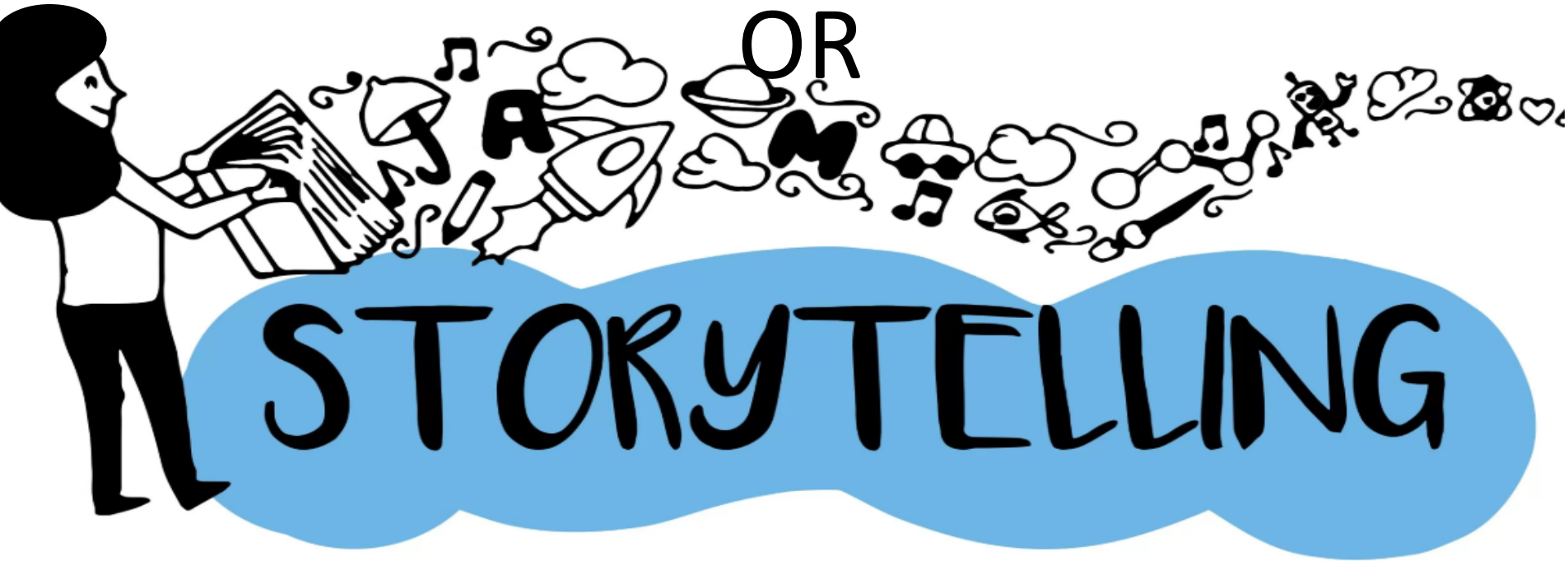
Incentive ... Blinded by our own motivations



Capability

Which traits and abilities allow for fraud, waste and abuse?

RATIONALISATION COST VERSUS BENEFITS



Rationalisation

Expected Punishment

Mix of soft and hard approaches

Discovery

The vast majority of healthcare providers are honest, hard-working, highly ethical people who deliver diligent care to their patients.

Bonitas

Reports fraudulent claims to South African Police Service

These convicted criminals, who collaborated with medical doctors to pay for unnecessary tests, were collectively found guilty of 1 448 counts of fraud, a total of over R1.3 million over a period of 10 years. However, thanks to a tip off, Bonitas analytics and thorough investigations, the Hawks and SAPS were able to bring them to justice and all three will be serving jail terms.

Rationalisation

Moral Storytelling

A lot of people cheat, but only by a little

.. this prevents us from viewing ourselves as tarnished

.. which increases our capacity for dishonesty

Large number of providers and members

cheating a little?

Or small number of providers and members

cheating a lot?

Rationalisation Moral Storytelling

Altruistic cheating

Provider's concern for patient can increase magnitude of misbehaviour

Rationalisation Moral Storytelling

What the hell effect





Understanding biases

A close-up photograph of a woman's face. Her eyes are completely obscured by a very bright, circular white light. The word "TECHNOLOGY" is written in a bold, red, sans-serif font across the center of this light. The woman's mouth is slightly open, and her lips are visible. Her hair is dark and appears to be blowing in the wind. The background is out of focus, showing some blue and white tones, possibly an indoor setting with modern decor.

TECHNOLOGY

Pro-innovation bias

Overvalue the usefulness of technology

Confirmation bias

... providers think the new equipment/methods/drugs must be good
and so choose to implement them

Biased incentives = act in own self interest rather than patient's interest


Disclosure to fix conflicts of interest?

People tend to underestimate the extent of the bias when it's disclosed

Bandwagon bias

Hospital cash plan fraud rife in KZN





Mitigating fraud, waste and abuse

Mitigating fraud, waste and abuse

Value based system provides a more systemic solution

... need more thinking around psychology and behavior patterns

... need reminders at the time of temptation

... need to be aware of our biases

... need to understand conflicts of interest

Mitigating fraud, waste and abuse

Halo effect



Peer review



Constant surveillance via administrator and data analytics ... fraud evolves



Mitigating fraud, waste and abuse

Reminders

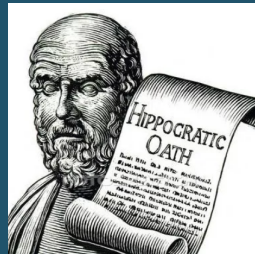
Media



Scheme communication



Moral codes



Mitigating fraud, waste and abuse

Individuals

Become more aware of your own biases

Protect your personal information

Important to discourage small and ubiquitous forms of dishonesty,
the misbehaviors that affect all of us most of the time, both as perpetrators and as victims

**THANK
YOU**