Curbing Fraud, Waste, and Abuse
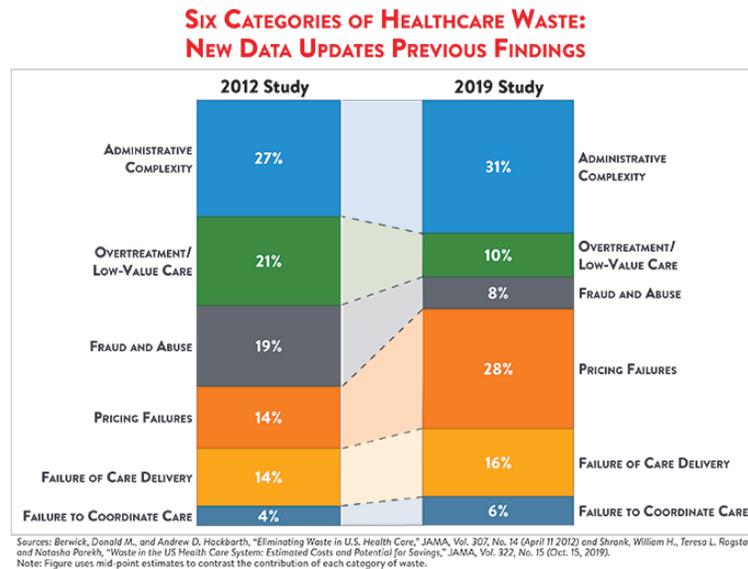# With Mobile Benefits Administration

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Introduction

The convenience, availability, acceptability, and security of mobile benefits administration can make it an optimal technology to catch and control improper and wasteful payment practices.

An estimated $80 billion USD annually is lost to health care fraud, according to the National Healthcare Anti-Fraud Association. Other industry sources peg the losses to exceed $300 billion. Fraud, Waste, and Abuse collectively account for around 30% of the total $3.5T annually spending on health care.[1]

Figure: Broadly speaking the losses com e from three types of situations, fraud, waste, and abuse.[2]

SIX CATEGORIES OF HEALTHCARE WASTE: NEW DATA UPDATES PREVIOUS FINDINGS

	2012 Study	2019 Study	
ADMINISTRATIVE COMPLEXITY	27%	31%	ADMINISTRATIVE COMPLEXITY
OVERTREATMENT/ LOW-VALUE CARE	21%	10%	OVERTREATMENT/ LOW-VALUE CARE
		8%	FRAUD AND ABUSE
FRAUD AND ABUSE	19%	28%	PRICING FAILURES
PRICING FAILURES	14%		
FAILURE OF CARE DELIVERY	14%	16%	FAILURE OF CARE DELIVERY
FAILURE TO COORDINATE CARE	4%	6%	FAILURE TO COORDINATE CARE

Sources: Berwick, Donald M., and Andrew D. Hackbarth, "Eliminating Waste in U.S. Health Care," JAMA, Vol. 307, No. 14 (April 11 2012) and Shrank, William H., Teresa L. Rogstad, and Natasha Parekh, "Waste in the US Health Care System: Estimated Costs and Potential for Savings," JAMA, Vol. 322, No. 15 (Oct. 15, 2019).
Note: Figure uses mid-point estimates to contrast the contribution of each category of waste.

The ubiquity of smartphones amongst health care physicians, patients, and vendors make them invaluable in addressing improper payments**.** Whether intentional or unintentional, the potential for payment errors and inaccuracies to occur along the care continuum is high. From diagnosing

conditions, coding treatments, prescribing and filling drugs, to invoicing and collecting payments from payers and patients, there is a myriad of payment integrity "black holes" for money to fall into.

Mobile benefit administration, which can be used as the member-facing component of an end-to-end, comprehensive benefits platform or an adjunct to SaaS or mainframe benefits solutions, can serve as an effective tool to recognize and alert payers, employers, and patients of fraudulent activities, wasteful processes and abusive practices in real or near real-time. Mobile benefits administration can save payers, employers and patients the headaches and hassles of being a victim of improper payments.

Combating Clinical Fraud, Waste, and Abuse

One of the biggest obstacles legacy carriers and benefits systems face is that they are full of fragmented and delayed data making it difficult—if not impossible —to identify improper payments before (prepayment) or as they occur. Payers typically spot incorrect or fraudulent practices long *after* (post-payment) the payments have been completed. In contrast, mobile phones can seamlessly and securely collect, track, and disseminate health, financial, geospatial, and social data in real-time. This efficiency enables administrators to redirect resources spent on fraud and waste toward member solutions and services that deliver higher value.

The following are just a few examples of how mobile-enabled benefits administration can address improper and wasteful practices—including outright fraud— that occur every day across the healthcare system:

Fraud

Protecting Patient Identity
Every year, millions of consumers fall victim to medical Identity theft. Consider these statistics:[3]
- 27% of data breaches were related to medical records in 2017
- 65% of victims needed almost $13,500 to pay off fraudulent bills
- Family members committed 24% of medical identity theft without their family's knowledge
- Only 10% of victims were completely satisfied with how their situation resolved
- 30% of victims had no idea when the identity theft occurred

A mobile benefits app can provide consumers with an insurance card that includes, biometrically validated identity, such as thumbprint and facial recognition that prevents unauthorized users from accessing medical data and insurance cards. Photographs can help providers and their staff identify patients who are about to receive care and ensure proper use.

Misrepresentation of Date and Location of Services
Eligibility verification, open enrollment, and claim status updates are common events that can be utilized to drive payment integrity. Intelligent benefits administration platforms manage such events, transactions, and data and respond accordingly. Credit card companies for example have long employed similar technology. Sophisticated systems assess transactions and quickly alert stakeholders if the same card is used to buy a carton of milk in New York and, minutes later, used to fill up at a gas station in Los Angeles. The nature of such events - being quite impossible - alert both the cardholder and the card company of a potentially stolen credit card.

Choosing Health Care Providers
When scheduling a doctor visit, mobile technology can leverage verification systems (including payer, provider, employer, and third-party vendor systems) to check if a doctor is in-network and, if not, recommend doctors who are not only in-network but also meet quality, cost, and availability requirements. The entire transaction is entirely seamless to the member. Patients call the provider as usual. The system validates the provider and suggests alternatives via text messaging, voice calls, and alerts to administrators and staff, who can help steer members to higher-quality providers.

Care Coordination
Many studies have been conducted on the overuse and abuse of lab tests requested by physicians in the process of diagnosing or managing health conditions. The consensus is that anywhere from 25% to 40% of these tests are unnecessary.[< 4,5>]

This situation is exacerbated by benefit plan vendors who are all too often focused on getting their own apps into members' hands. Instead of driving value for plans and their members, people end up with dozens of apps - including separate apps to check health accounts, incentive dollars, or health charts - that rarely get used and provide little value.

Centralizing the member benefits experience into one app gives members and doctors a single source of information on a platform that the member controls. The ideal app centralizes health and wealth data into a single repository, ensuring the most up-to-date information about a member is not only available but value-producing and actionable.

Prevention Failures
A gap in care is "the discrepancy between recommended best practices and the care that's actually provided." Research has shown that care gaps can be both harmful and costly when not properly managed. For example, not managing certain chronic diseases (e.g., diabetes) can lead to serious complications and escalating treatment costs. Examples include:
- Individuals overdue for age-based or seasonal screenings and vaccines
- Individuals not taking a medication that meets evidence-based guidelines
- Individuals not consulting with their doctor regarding a prescription that might conflict with
- another medication

To close these gaps, you need to empower patients and communicate with the right information at the right time and place. Mobile is an invaluable tool in collecting and actioning information to close these gaps, empower patients, and save time, wealth, and health.

Processes, Paper, and People
Eliminating Wasteful Processes, Paper and Human Effort
Enrollments, member management, and compliance with federal and state requirements (such as 1099s, 1095s, and COBRA), require a tremendous amount of time and money. Beyond that recordkeeping, audit, and customer service add expense that may no longer be necessary. Mobile technology can simplify and save. Through digital data collection and e-document delivery, mobile technology can minimize the costs associated with scanning, printing, and mailing benefits information including:

- Member ID cards
- Benefit plan information
- Quarterly benefit statements
- Birth and marriage certificates
- Health account statements
- Tax and Regulatory documents
- Consolidated Omnibus Budget Reconciliation Act (COBRA) information

This information is now stored on an app that the members can access whenever needed and updated in real-time or on a regular basis. A significant value driver is that the documents pushed through mobile are now auditable. Armed with mobile technology the plan and members can share information in real-time and ensure that the information was received and reviewed.

Abuse
Validating Care
A mobile app can conveniently survey patients while at the hospital, as well as track doctors visited and care services provided. Should providers charge for care that was either unnecessary or never provided, the benefits administrator would be able to deny such charges.

Unnecessary Care
Mobile devices employ an array of sensors that can be used to mitigate abuse. Accelerometers measure the device's motion and position in space. They have become so precise that i n fact, recent demonstration researchers at the University of Pittsburgh demonstrated that a simple algorithm can measure drunkenness with 93% accuracy solely using accelerometer data.[6]

Data gathered from accelerometers can be used to verify a member's range of motion, steps taken in a day, and other activities of daily living. This information combined with claims data can point to abusive practices such as the unnecessary dispensation of prescriptions and durable medical equipment.

Risk and Rewards of Mobile-First Adoption
Building for and deploying mobile-first solutions may seem like a risk, but with further scrutiny, it's clear that among health care physicians, patients, and vendors smartphones are ubiquitous, sticky, and being utilized to manage health benefits and health. Consider these facts on the adoption and usage of smartphones:
- More than 90% of U.S. adults own a smartphone, and most smartphone users have used their device to gather health-related information[7]
- 90% of physicians use smartphones at work including to access electronic health records,
- communicate with team members, look up information and manage their schedules [8]
- More than 60% of hospitals offer mobile health apps[9]
- 90% of providers offer patient portals that incorporate patient health data, appointment
- scheduling, care messaging, and online bill payment[10]
- 74% of patients say using mobile apps, wearables and other mHealth tools help them cope
- with and manage their conditions[11]
- 87.8% of consumers feel uneasy leaving home without their smartphone[12]

Safe and Secure Communications

The safety and security of members extend beyond administrative clinical fraud, waste, and abuse – it also includes protecting member data. Mobile provides an ideal platform for personal authentication for critical transactions with face and voice recognition, fingerprint, two-factor, screen, and device lock features and end-to-end encryption. A smartly designed app protects both administrators and members from security breaches, and fraudulent activities and charges.

Pull vs Push

Pull

Web portals and mobile websites, although useful, lack important capabilities, or are inconvenient to use at a point-of-care and other situations. Consider a visit to the pediatrician. Plan participants will have questions about copayments and coinsurance. The doctor will want insurance information and medical history. A patient will have had to plan ahead and enter requested data online or print out and fill out a bevy of information. Whether this information is valuable is subject to how accurately, timely, and thoroughly the patient enters their data.

Push

The availability of mobile technology makes it possible to dialogue with members whenever they need assistance, from wherever they are, in their preferred language. Sensors and software within mobile devices can detect unusual and unexpected user activity and request info, send alerts, and even activate and automate services. For example, if a plan participant is in a car accident, smart apps can ask users questions to assess care needs, connect them to help, and even gather location and biometrics data from their smart devices speeding up the care process. This data can be matched up against billing to verify services provided against time and location data collected.

Blessed with personalization technologies that can identify and respond to the specific preferences, behaviors, and interests of the respective users, a mobile-first strategy allows you to "push" context-relevant information to members in real-time.

Omnichannel

Some information requires to be sent via paper mail for compliance purposes. Other times individuals may prefer a paper exchange or trail of information. Mobile can act as a compliment, rather than a full replacement of data exchange. The best systems will support the reduction of administrative waste by providing you and your members with options that drive value. The ability for systems to communicate in whatever method is preferred is called "omnichannel" communications. Smart systems should support:

- SMS (text messaging)
- E-mail communications
- Paper scanning and printing
- Customer support chat (live and AI chatbot)
- Interactive voice response (IVR)
- Contextual and relational messaging
- Translation into the speakers' preferred language
- Self-service features to review and update information
- Notification and reminder settings

Potential Challenges of Mobile-First Administration

Like any adoption of mobile as a business platform, those considering a mobile strategy for payment integrity need to be aware of and mitigate associated risks. Some of the features that make mobile so appealing can also present unique challenges to the vendor and the customers they serve.

The following are some of the more common scenarios with inherent data security risks associated with information exchanges via mobile can occur:

- Members hand their phone to someone to help download, install, and configure an App
- Misplaced or stolen phones with easy passwords are broken into
- Members give tech support staff passwords to fix or replace their broken devices
- Members switch from one mobile carrier to another who request access to their data
- Members fail to properly configure their app to receive important and time-sensitive benefits requests and notifications
- Friends, family, and even ex-spouses (who are no longer eligible for benefits) gain access to member's phone and passwords and act on behalf of the member
- The financial account setup for mobile auto payments has been closed or has expired
- Members who are either temporarily or permanently located in areas with poor wifi or cell coverage may only receive updates when they are back in range
- The on-the-go agility mobile solutions provide make them prone to creating false positives that overwork investigators and risk provider abrasion (i.e. auto-requesting prescription refills twice in the same day from vastly different GPS locations while traveling)

A well-designed app will have considered these use cases and provide participants with a secure, HIPAA-compliant tool that smooths and simplifies all types of communication.

Take Control With Mobile-First Administration

While some vendors are customer service-focused, others only deploy information that is useful to them. Few, if any, give you control of the administrative tools and decisions. In addition, costs associated with augmenting or replacing existing systems, along with cost administrative operations and clinical decision-making, should play a key factor in shifting to a mobile-first strategy.

Conclusion

Mobile health apps can conveniently, affordably, and digitally collect a host of biometric information in real-time speeding up data collection, saving consumers money, minimizing human error.

Whether managing, delivering, or consuming health and wealth benefits, utilizing mobile technology is the smartest of "smart tech" strategies. Mobile-enabled benefits administration can speed up the movement of information, increase engagement and compliance, eliminate fraud, waste, and abuse practices, and lower the total cost of doing business.

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