

Obama and Insurers Join to Cut Health Care Fraud
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By Robert Pear

WASHINGTON — President Obama and health insurance executives plan to announce a new joint effort on Thursday to crack down on health care fraud by sharing and comparing claims data, administration officials say.

The collaboration represents something of a turnabout for Mr. Obama, who in the last three years has often denounced “abuses by the insurance industry.” The White House is now enlisting some of the same companies to help ferret out fraud.

Kathleen Sebelius, the health and human services secretary, and Attorney General Eric H. Holder Jr. are scheduled to join insurers to unveil the initiative at the White House on Thursday.

“This partnership brings together the resources and best practices of government and private sectors, giving us an unprecedented ability to detect and stamp out health care fraud,” Ms. Sebelius said.

The charter for the venture says that federal investigators and insurers will pool claims data and look for suspicious billing patterns and aberrations. If agents detect possible fraud and begin an investigation, they can provide insurers with the names of doctors, hospitals and suppliers suspected of misconduct.

The claims data will come from Medicare, Medicaid and private insurance.

“The more claims data we have, the more effective we can be in analyzing and using it,” said an administration official working on the project.

For example, the official said, the new venture could identify a doctor who bills Medicare and two private insurers for a total of more than 24 hours of work in a single day.

“Seen separately,” the official said, “these billings could appear normal. Sharing information among payers brings this potentially fraudulent activity to light so it can be stopped.”

Among the organizations expected to join the new National Fraud Prevention Partnership are two lobbies for the industry, America’s Health Insurance Plans and the Blue Cross and Blue Shield Association, as well as big insurers like Amerigroup, Humana, UnitedHealth and WellPoint.

Top officials from the Federal Bureau of Investigation will participate.

Lewis Morris, former chief counsel to the inspector general at the Department of Health and Human Services, said such collaboration made sense.

“Most of the criminals who prey on the nation’s health care system are equal opportunity thieves,” Mr. Morris said. “They defraud private health insurance as well as federal programs like Medicare and Medicaid.”

However, Mr. Morris said, "there could be significant challenges in building the level of trust needed to make this partnership truly effective."

In the last decade, insurers have paid hundreds of millions of dollars to settle federal and state charges that they bilked public programs in various ways.

Under the agreement, the federal government and insurers will share information about trends in health care fraud and the tools they use to detect it in mountains of claims data.

The federal government will hire a "trusted third party" to analyze the data collected from Medicare, Medicaid and dozens of private health plans.

Karen M. Ignagni, president of America's Health Insurance Plans, described the information-sharing project as "a major national initiative to detect and prevent fraud." Such cooperation has worked well when tried at the local level in selected cases, Ms. Ignagni said.

Several United States attorneys have worked with private insurers in specific cases. The United States attorney in Kansas, for example, cooperated with insurers in investigating a pain clinic that distributed narcotics to patients, including several dozen who died of drug overdoses.

Medicare receives more than a billion claims a year from doctors, hospitals, pharmacies, suppliers of medical equipment and other providers. Increasingly, the government uses "data mining" techniques to identify providers and claims that pose the greatest risk of fraud. Medicare officials discovered, for example, that they were spending far more per beneficiary for asthma drugs in South Florida than in the rest of the country.

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