



2019 **ANNUAL  
MEETING**  
& EXHIBIT

October 27-30  
Toronto, Canada

## Session 130: Fraud Detection in Health Care, with and without Predictive Analytics

[SOA Antitrust Compliance Guidelines](#)

[SOA Presentation Disclaimer](#)

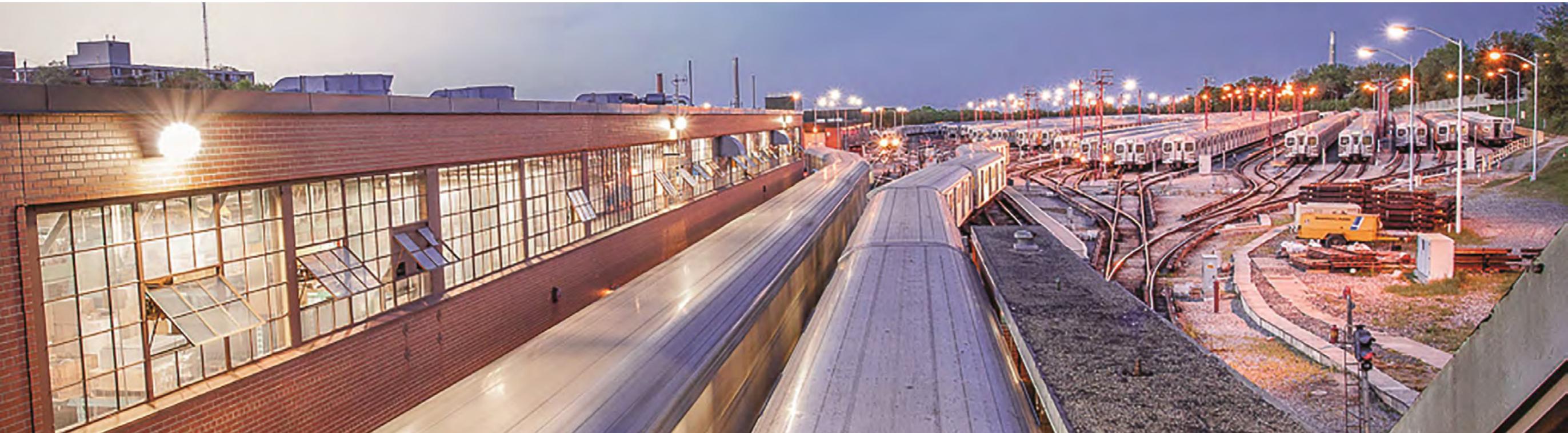


# Health Benefits Fraud: A Case Study

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Staff Sergeant, Investigative Services  
Toronto Transit Commission  
Toronto, Ontario, CANADA

October 29, 2019



# | TTC Investigative Services

## Who We Are

- 14 Investigators, 2 Supervisors, Analyst, Support Staff
- All Investigators and Supervisors have law enforcement training and background
- Specialties include surveillance, operational planning, source development, case management



# TTC Investigative Services

## Mandate of TTC Investigative Services

- Protect the assets and reputation of the TTC
- Receive information and report out on wrongdoing, misconduct and unethical behaviour at the TTC
- Act as support for law enforcement agencies



# | Ethics Reporting “Tip”

- **Clearview Strategic Partners**
  - Internally branded as the “Integrity Program”
  - Protocol at TTC
- **Assess Allegation**
  - Valid?
  - Does it fall within our mandate?



# Gather Preliminary Evidence

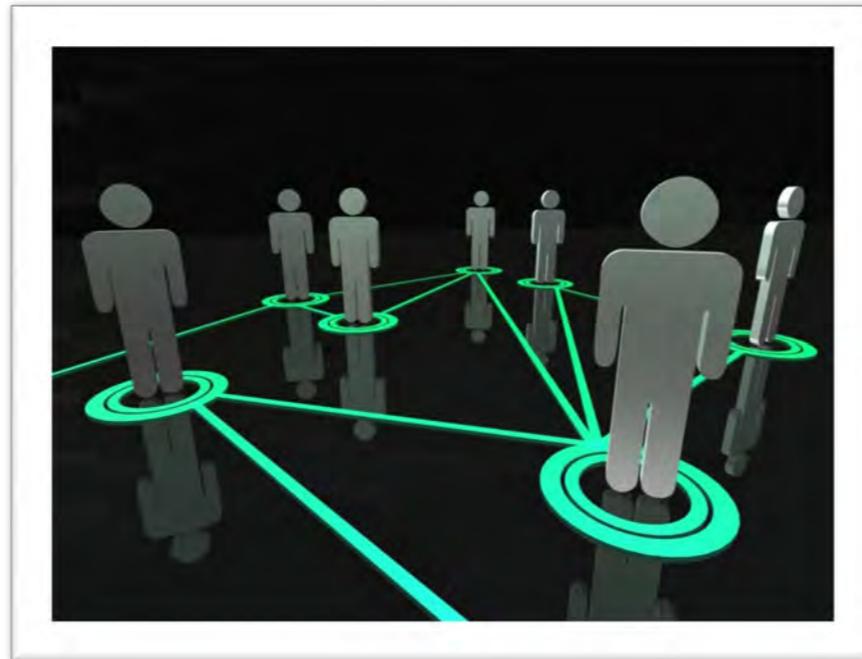
- **Determine level of evidentiary support needed**
- **Documents from Benefits Provider**
  - None provided
- **Investigative Services**
  - Surveillance
  - Open source research
- **Undercover Operation**
  - Outcome





# Result of Initial Investigation

- **Establish contact with Toronto Police**
  - Good evidence from undercover investigators
  - TPS divisional fraud detectives Nov.18/14
  - Carrier identified potential exposure

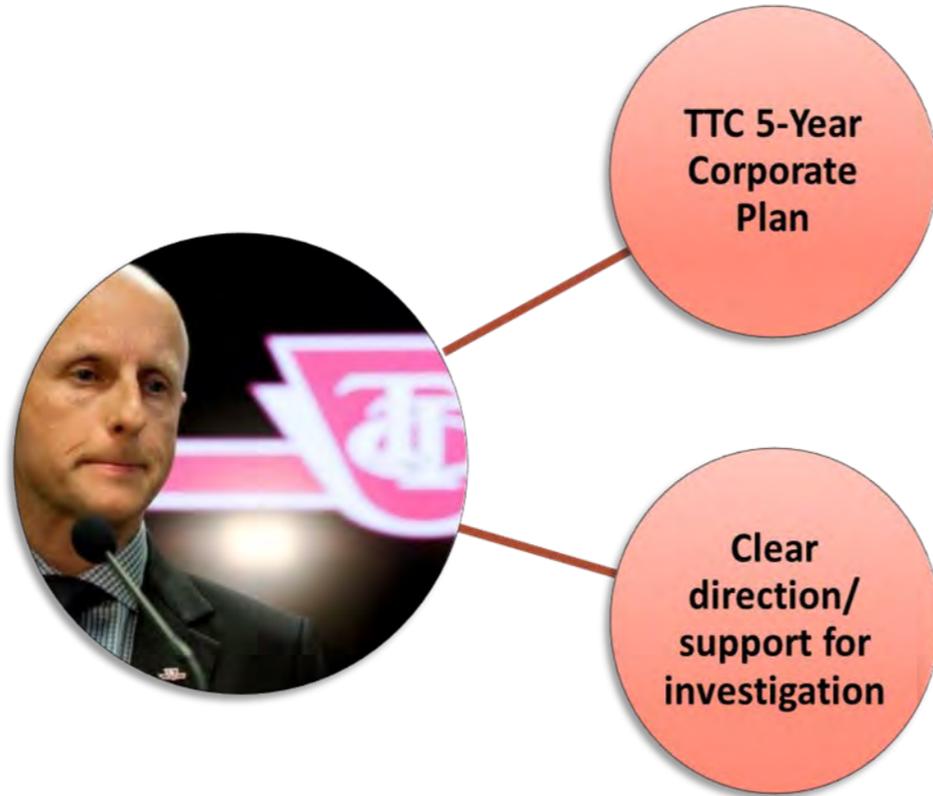


# | Clarify Roles in Investigation

- **Benefits Provider**
  - Provide data to TTC and TPS
- **TTC Investigative Services**
  - Support civil litigation
  - Support insurance claim
  - Labour Relations Investigation
- **TPS**
  - Criminal investigation



# Engage Stakeholders



- Transforming the culture
- “We’ve taken steps to increase levels of accountability and transparency throughout our organization.”(p.12)
- Ensure accountability and pursue means of recovery
- Maintain integrity of the TTC
- Balanced assessment of problem

# Engage Stakeholders

**Crime Insurance  
Carrier**

- Notification of potential claim to crime insurance carrier

**DELOITTE**

- Quantify loss to support insurance claim
- Establishes that all parties profited from fraud with the exception of the TTC



# Results

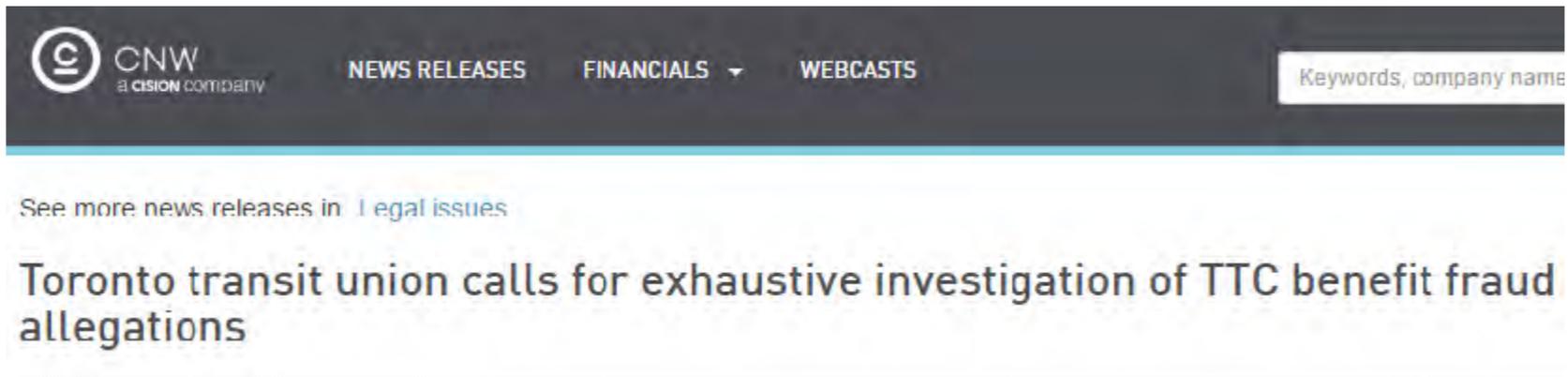
- **Search warrant**
- **Arrest of vendor**
  - Two employees also arrested
- **Media release**

thestar.com

News · City Hall

## 600 TTC workers eyed in benefits fraud investigation

Auditor general's report says total claims in alleged scheme total \$5.1 million.

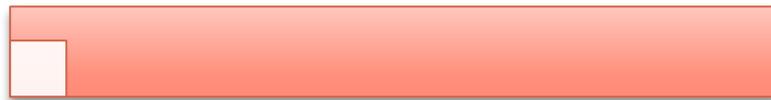


The screenshot shows the top navigation bar of a CNW (a CISION company) website. The navigation bar includes links for NEWS RELEASES, FINANCIALS, and WEBCASTS, along with a search box labeled 'Keywords, company name'. Below the navigation bar, there is a link to 'See more news releases in | legal issues' and a headline for a news release: 'Toronto transit union calls for exhaustive investigation of TTC benefit fraud allegations'.



# Results

## Investigative Services

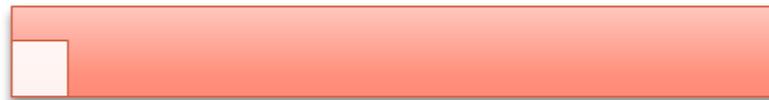


725 total cases

Staff cases: 66

Union cases: 659

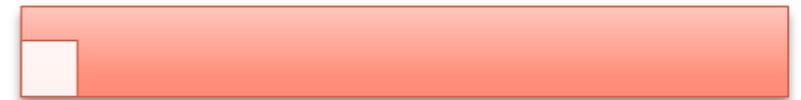
## HR Workforce



Staff Dismissals: 32

Union Dismissals: 195

## Legal



Litigation (Staff): 11

Arbitration (Union): 103



# | Results

- Approximately \$5 million reduction in claims, 2016 vs 2015
- Similar impact in 2017 and 2018



# | Key Takeaways

- Take control of your benefits plan!
  - “Reasonable and Customary Amounts”
  - Analytics
- Employee Education/Awareness
  - Ethics and Compliance Program
- Value of anonymous ethics reporting hotline



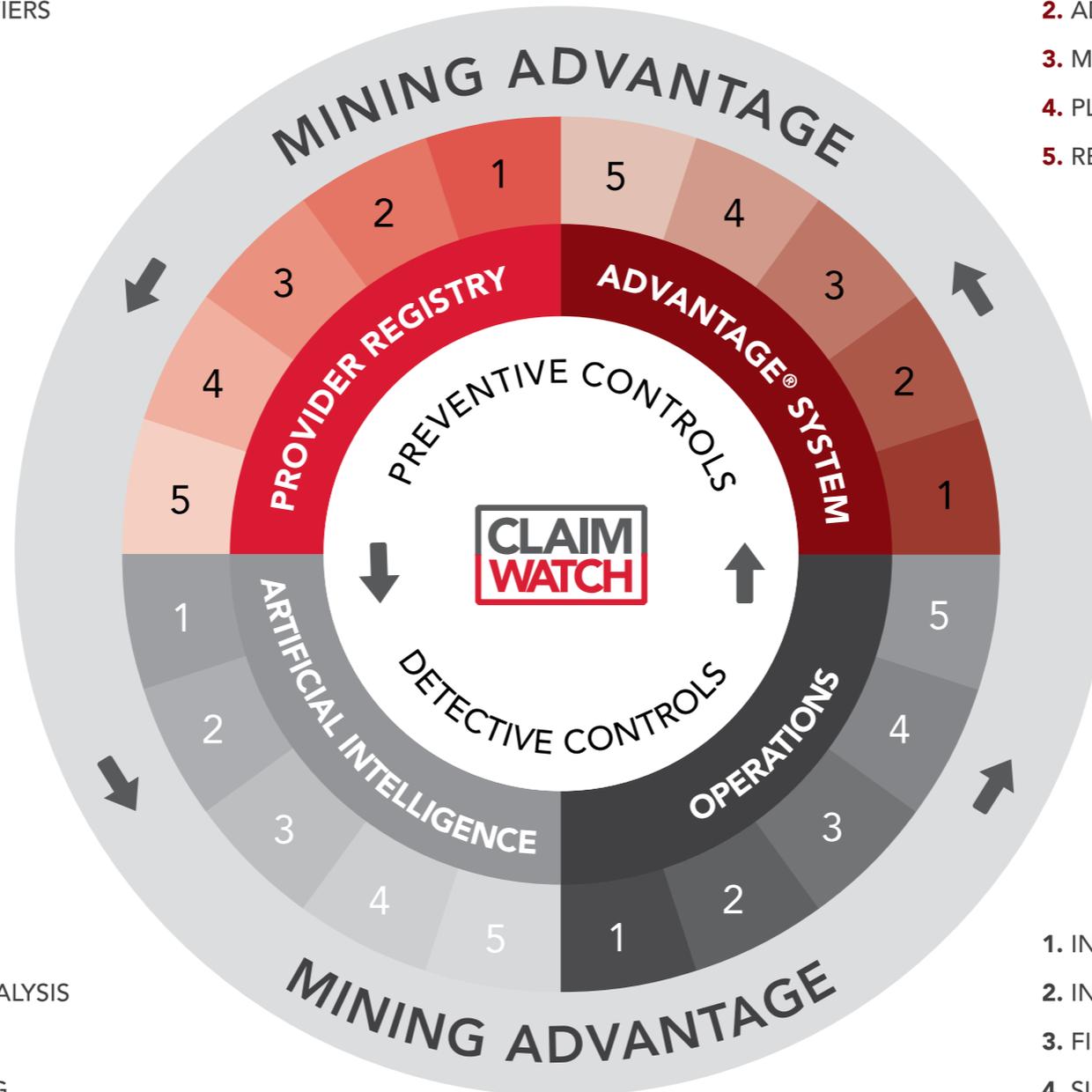


**CLAIM**

**WATCH**

- 1. CREDENTIAL VALIDATION
- 2. INDIVIDUAL IDENTIFIERS
- 3. PROFILING
- 4. RANKING
- 5. REAL-TIME UPDATES

- 1. RULES
- 2. ADMINISTRATIVE POLICIES
- 3. MOCK CLAIMS
- 4. PLAN DESIGN CONTROLS
- 5. REAL-TIME ADJUDICATION



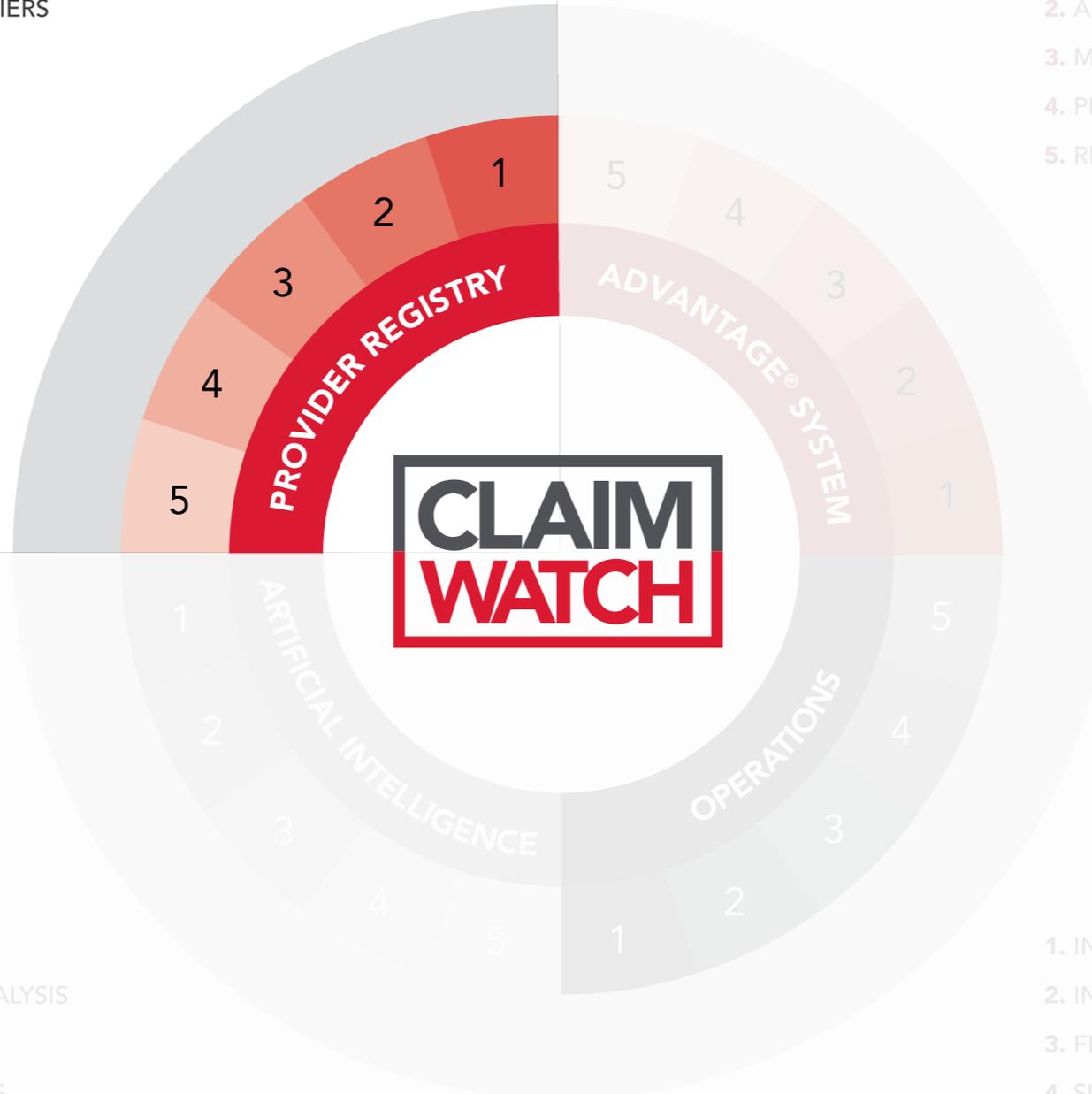
- 1. PEER ANALYSIS
- 2. RULE BREAKING ANALYSIS
- 3. SOCIAL NETWORKS
- 4. MACHINE LEARNING
- 5. PREDICTIVE MODELLING

- 1. INTELLIGENCE DIVISION
- 2. INVESTIGATION DIVISION
- 3. FIELD OPERATIONS
- 4. SUBJECT MATTER EXPERTS
- 5. HUMAN INTELLIGENCE



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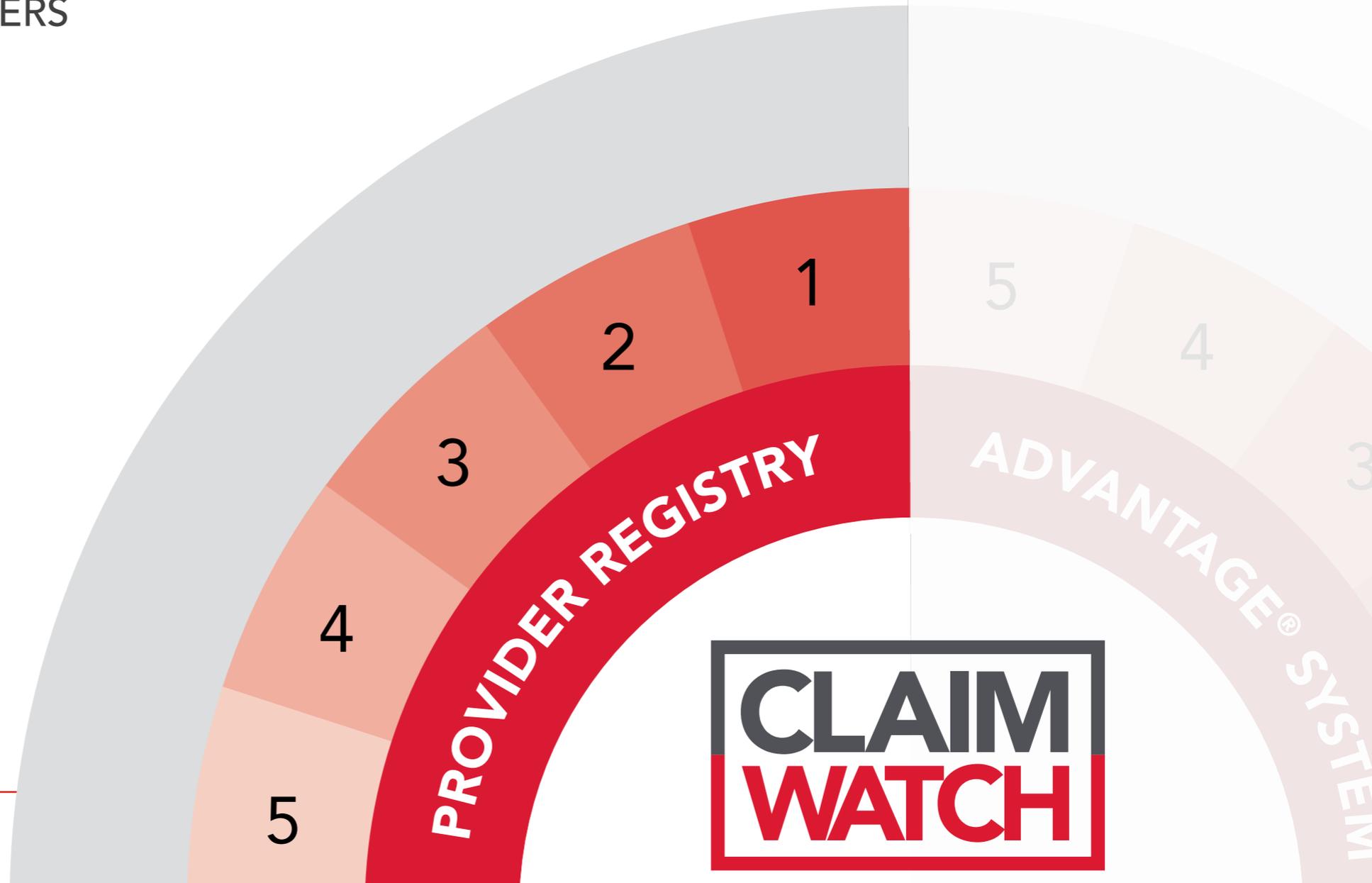


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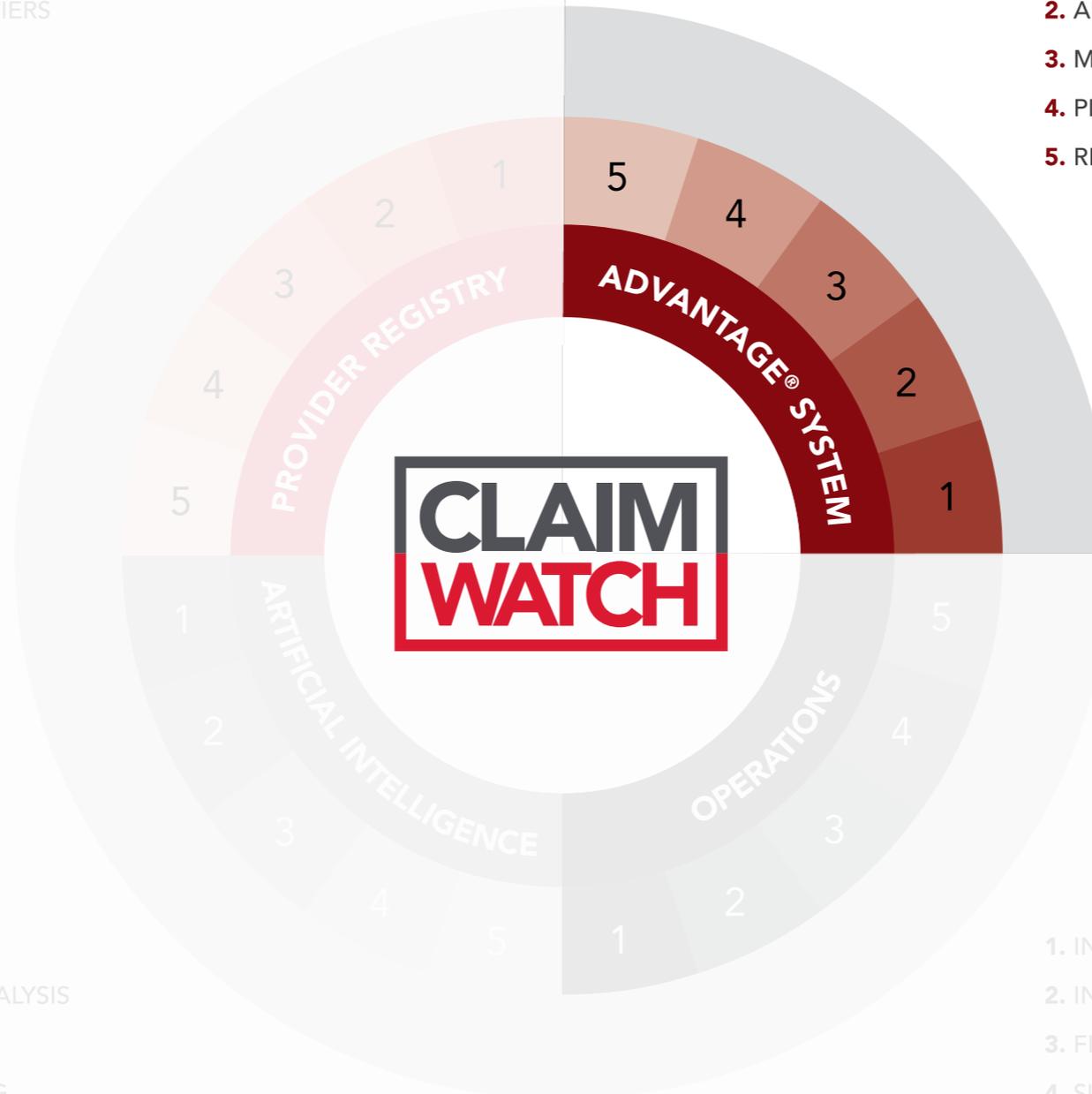


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# Some built-in controls:



**USUAL** – a.k.a. reasonable –  
and customary pricing



Dollar and frequency  
**MAXIMUMS**



**DUPLICATE CLAIM**  
checks



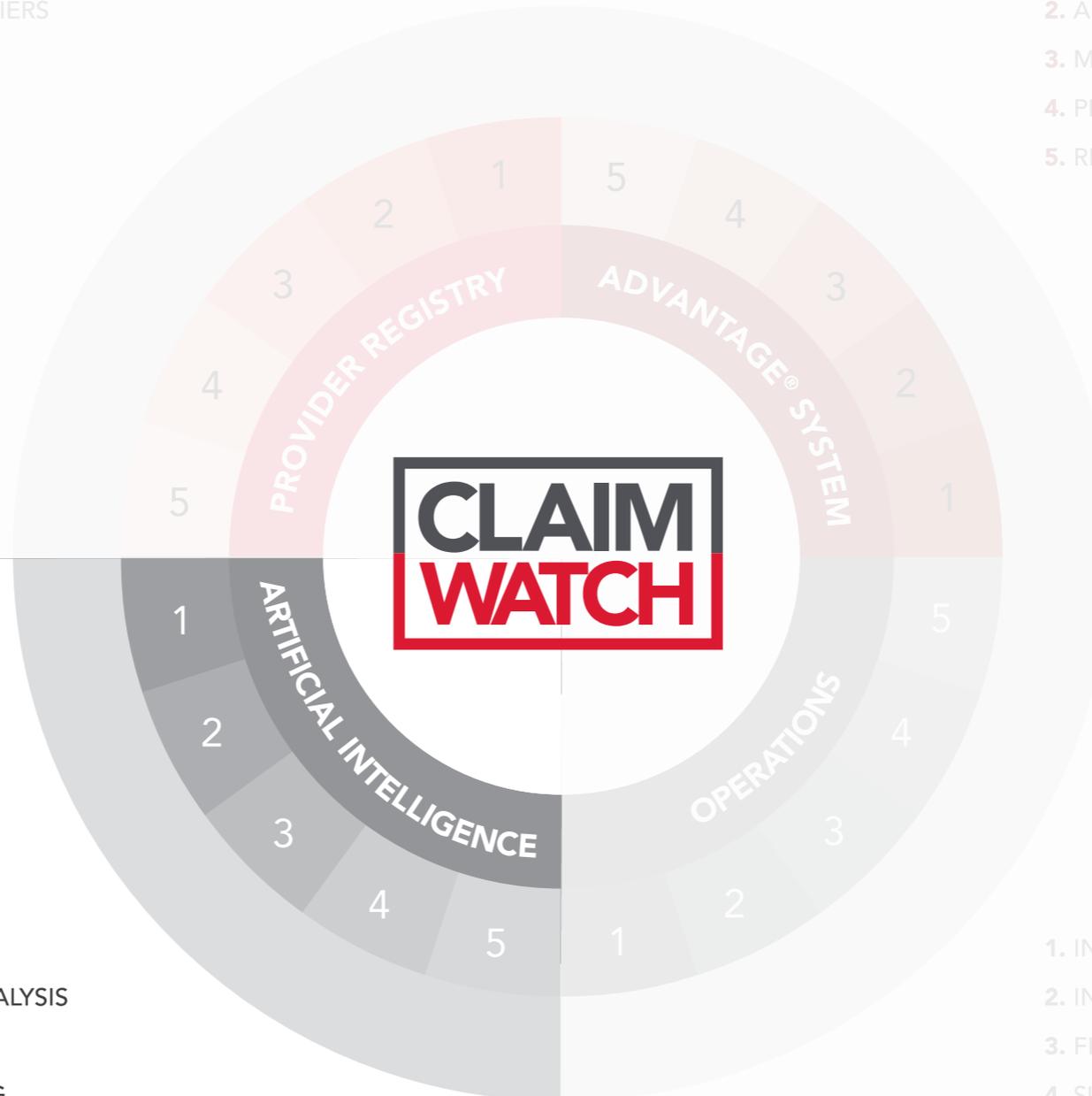
Drug utilization  
**REVIEW** messaging  
such as “fill too soon”



Smart plan design

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ARTIFICIAL INTELLIGENCE

OPERATIONS

1

2

3

4

5

1

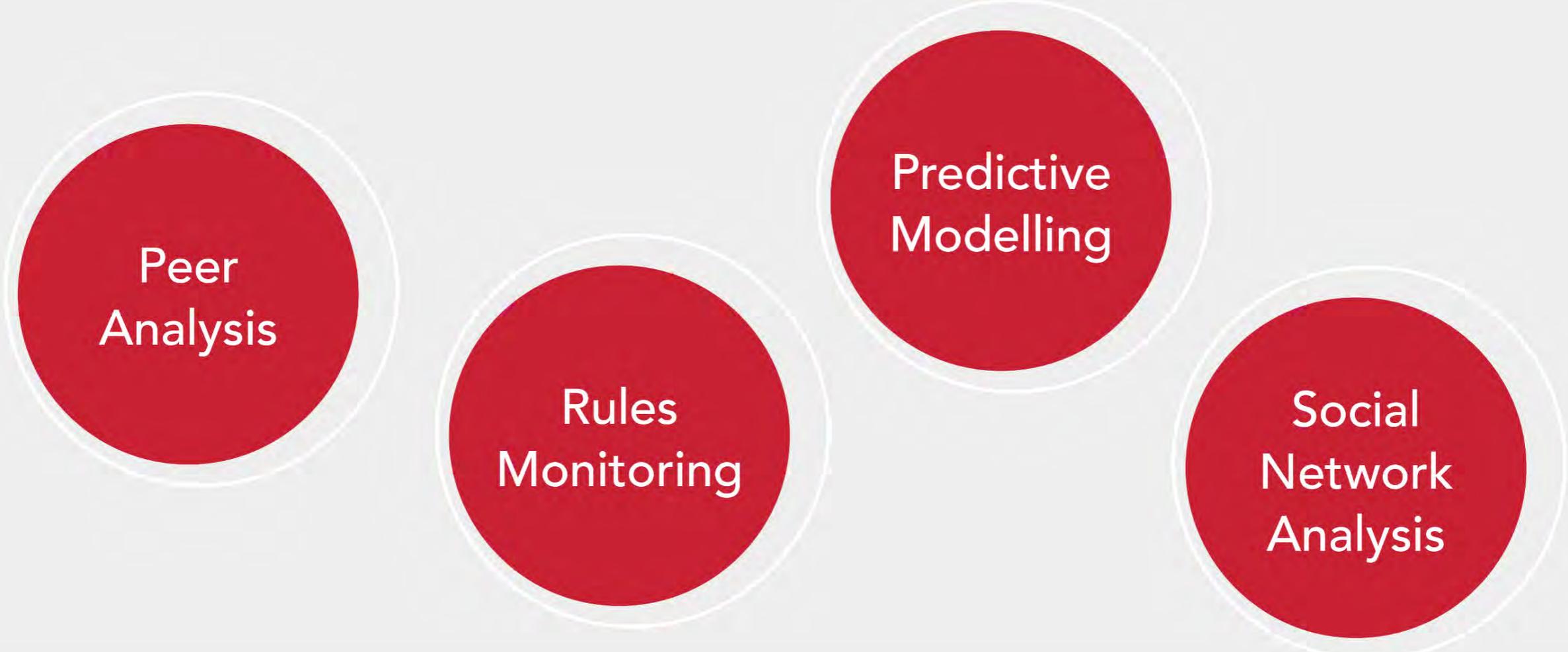
2

3

1. PEER ANALYSIS
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We can identify outlying providers by using:



Peer  
Analysis

Rules  
Monitoring

Predictive  
Modelling

Social  
Network  
Analysis

# Network As Force Directed Graph (Network: 7.68024)

● EHS Provider

● Dental Provider

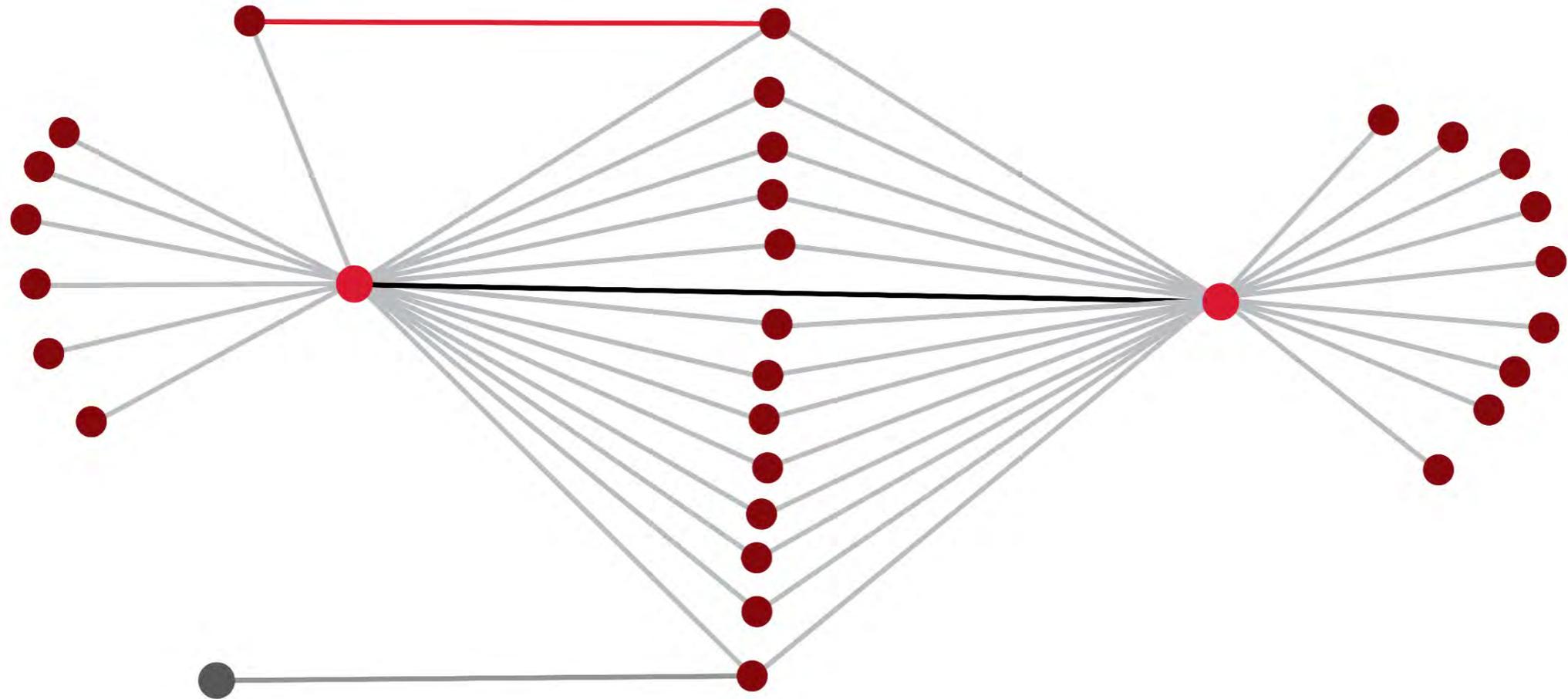
● Plan Member

OBVIOUS BANK INFO

OBVIOUS PHONE

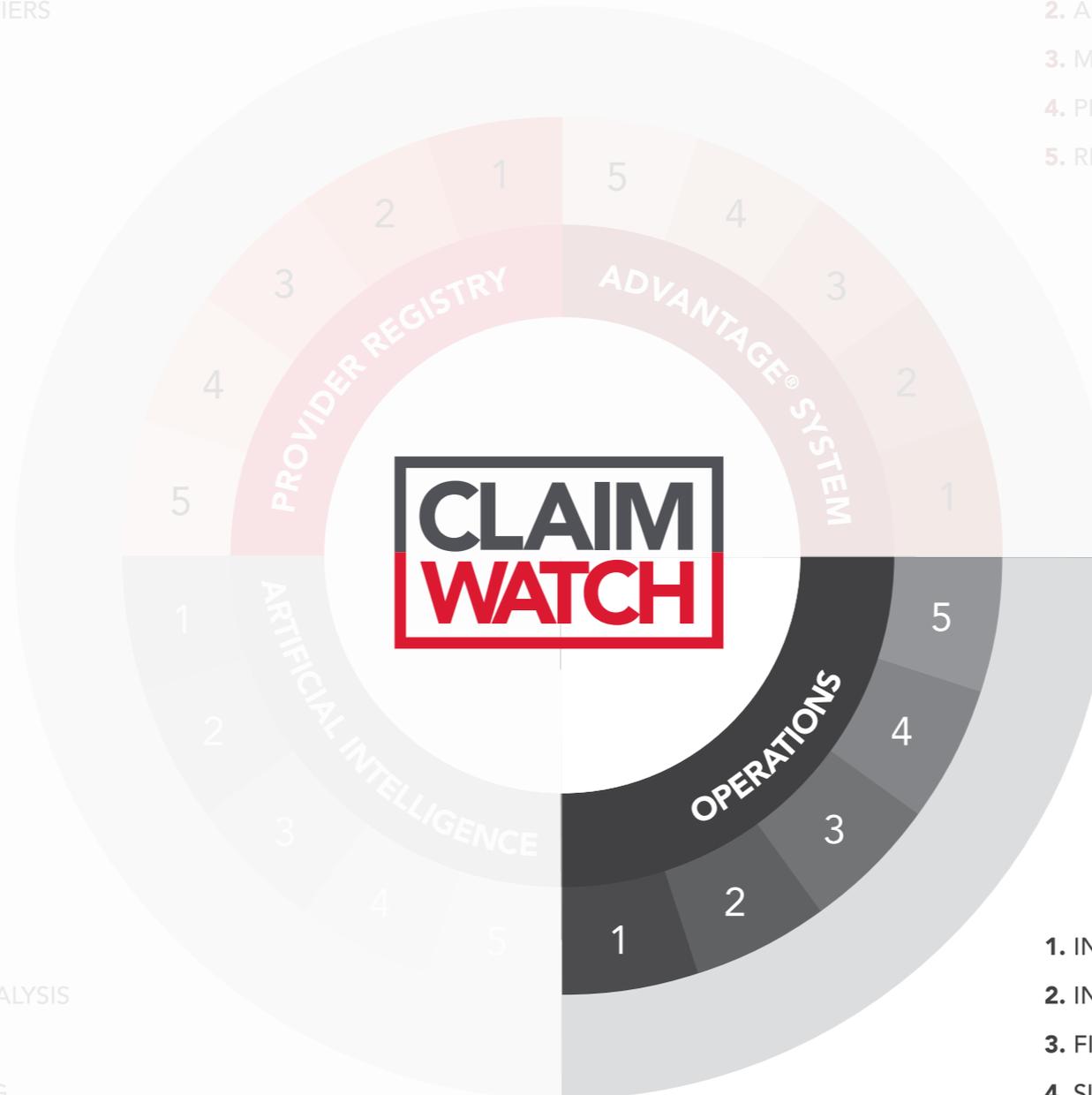
OBVIOUS NAME

CLAIMS



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A stylized graphic of a dark grey suit jacket, a white dress shirt, and a red necktie. The suit jacket is the largest element, with the shirt and tie centered within its lapels. The tie is a solid red color with a pointed bottom. The background is a solid dark grey color.

Fraud  
Specialists

# How do we get inappropriate claims information?

Our  
Partners

Complaints  
Department

Carriers

Customer  
Service Centre

Audits

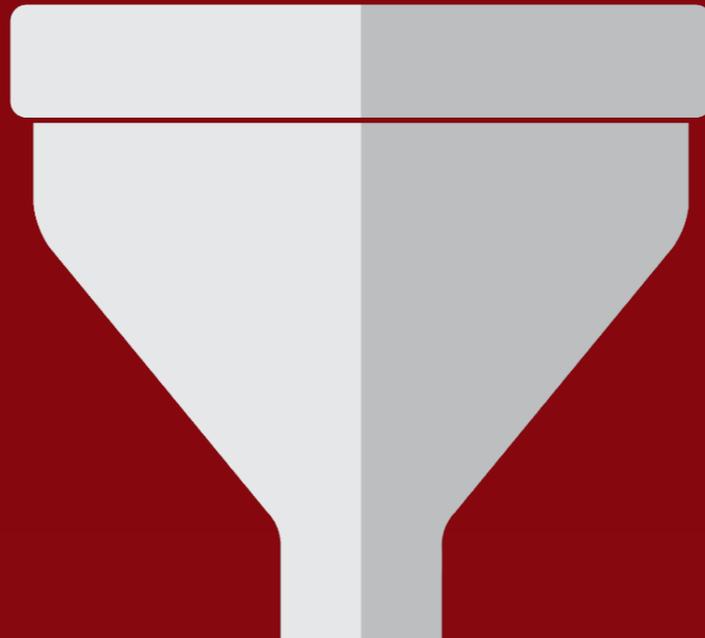
Confirmation  
Letters

Tips

Data  
Mining

Field  
Investigations

We are intelligence led





# Field Operations



**CLAIM**

**WATCH**