

makeplain™

Dental Claims Fraud Detection delivers significant potential and creates competitive advantage

According to the healthcare fraud survey conducted with the Canadian Healthcare Anti-Fraud Association, 3% to 10% of Canada's annual healthcare spend of \$120 billion has some element of fraud. (National Post Cover Story – September 22, 2005) The Insurance Bureau of Canada reports that insurance fraud costs Canadians more the \$3 billion per year (http://www.ibc.ca/en/Insurance_Crime/Prevention_Investigation/).

To combat this significant issue makeplain™ offers a fraud detection service using sophisticated analytical methods to detect fraud and offer companies the opportunity to stop payments to fraudsters before they are made.

makeplain™ recently conducted a proof of concept with a large international group dental benefits company to assess the magnitude of dental claims fraud it experiences and to determine what portion of that fraud could be eliminated.

Using 3 years of historical claims data amounting to millions of records makeplain's rocket scientists used artificial intelligence and statistical tools to find patterns associated with fraudulent claims.

Much of the fraud committed by plan members, health care employees and even providers themselves leave tell tale mathematical patterns that escape the watchful eye of insurer's "hound dog" special investigative unit.

Fraud can be categorized into several groups

- known modes of fraud perpetrated by members and healthcare employees where claims have been submitted for services not provided
- statistically anomalous billing behaviour observed for a particular provider when compared to typical billing behaviour for similar providers with similar practices for similar patients over similar time frames in similar geographic areas
- identity based fraud where the member or healthcare provider is altering the identity of the person receiving services and in doing so creating phony family groups and identities against which fraudulent claims are submitted

Using fuzzy logic software, statistical software, rules engines and identity resolution tools, it is possible to discover patterns associated with the various categories of fraudulent claims. Makeplain believes in using many different analytic methods to minimize the false identification of claims which leads to inefficient use of special investigator's time.

During the pilot project which required about 5 months of elapsed time to complete, makeplain™ discovered several million dollars of potential fraud that was not being caught.

Working with the special investigations unit to validate the potentially fraudulent claims quickly led to sufficient returns to justify the pilot exercise.

Makeplain integrates technologies from its business partners with its own software applications to

create a pre-payment focused solution which can be delivered as a hosted service or an application appliance.

To ensure that our solution delivers the bottom-line results we expect, our consultants will investigate our client's business processes. This allows us to integrate our fraud detection scores, models, rules, and reports into the appropriate step in your adjudication process so that your personnel can act to stop fraud in its tracks.

makeplain™ is an information technology company focused on delivering advanced analytic solutions which optimize the largest revenue and cost generating business processes in large corporations. We are not a technology vendor, we believe in risk sharing and partner in the success of our clients. We get paid when you achieve bottom-line results.

makeplain™ offers solutions like retail merchandise optimization, school board data warehousing, marketing optimization, analytic based business process optimization data warehousing, business intelligence, and master data management.

Our key partners include IBM and SAS.

Call 905-470-2376x221 or send an email to info@makeplain.com to find out more about our offerings.

<http://www.makeplain.com>

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