

PROTECTING
SCOTLAND'S
NHS: A DECADE OF COUNTER
FRAUD ACTIVITIES

FOREWORD

Over the last 10 years, the NHS counter fraud landscape in Scotland has changed significantly in terms of how the problem of fraud is being tackled and also in the ways in which fraud is perpetrated

The main motivators for fraud have remained constant over the last few years – greed, debt or the desire for money to support a more lavish lifestyle.

Fraud itself is, however, dynamic, relying on opportunities and on the determination of individuals and groups of individuals to take advantage of those opportunities in order to make dishonest financial gains. Consequently, as one set of opportunities is identified and dealt with, fraudsters will devise new approaches to benefit from the changed situation and will identify new opportunities.

The Scottish Government, like any other organisation which provides funding, must always be vigilant. It must monitor these opportunities and introduce measures to prevent, control and detect fraud.

This report provides a snapshot of the ways in which we have been combating fraud in Scotland's NHS and of how our counter fraud activities have progressed and become increasingly sophisticated.

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Established on 1st July 2000, NHSScotland Counter Fraud Services, working in partnership with NHS Boards and Special Health Boards, has spearheaded much of the work in this area

I would therefore like to take this opportunity to publicly acknowledge and thank the staff of Counter Fraud Services for their concerted efforts to identify and deter fraudsters from targeting the NHS and for their professional and objective investigation of individual cases.

Collaboration and co-operation are key to fighting fraud successfully and all NHS bodies in Scotland have also made crucial contributions to the delivery of our counter fraud programme.

We are determined to intensify our efforts, to continue to initiate measures which will minimise fraud in the NHS

The actions and initiatives illustrated in these pages are not the end of the story by any means. The battle against fraud never ends. We are determined to intensify our efforts, to continue to initiate measures which will minimise fraud in the NHS as far as it is possible to do so and to build vigorously over the next decade and beyond on the firm foundation we have established to frustrate the activities of those who seek to defraud our NHS.

John Matheson

Director of Health Finance, Scottish Government
Chair, NHS Scotland Counter Fraud Services
Steering Group

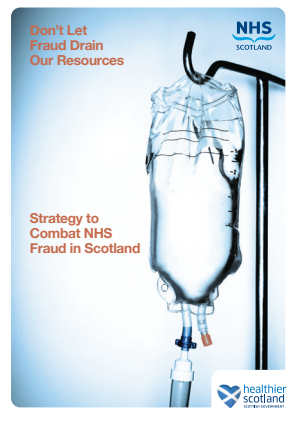
AN INTEGRATED STRATEGY

Over the last 10 years, estimated fraud savings to Scotland's NHS have amounted to almost £39 million gross, £24.6 million net

The Scottish Government has a “top-down/bottom up” approach to combating NHS fraud.

Top-down: factoring fraud-proofing into policy at the design stage

Bottom-up: obtaining buy-in from those who work in or for the NHS or use NHS services.



Guiding principles:

- changing perceptions and attitudes to make fraud unacceptable
- deterring fraud at source where possible
- creating strong internal controls
- detection at earliest stage possible
- objective and professional investigation to achieve best results
- focus attention on high risk areas
- linking policy and operational work
- sharing and acting on lessons learnt from individual cases
- **zero tolerance**
- triple tracking/the application of all possible sanctions - criminal, disciplinary and action to recover the money obtained by fraud

THE CHANGING FACE OF INVESTIGATIONS

Before NHSScotland Counter Fraud Services (CFS) was established, allegations of NHS fraud were dealt with by the police

The setting up of a counter fraud unit with specific knowledge of the NHS allowed resources to be re-focused. A Memorandum of Understanding was agreed between the Association of Chief Police Officers of Scotland and CFS which changed the way in which NHS fraud was investigated by defining working practices between the police and CFS.

Concentrating initially on investigating fraud within primary care services, the remit of CFS was expanded in 2004 to encompass all areas of fraud throughout the NHS in Scotland.

CFS has become an intelligence-led organisation

Its approach was also transformed – where previously CFS undertook responsive investigations, it launched and continues to initiate pro-active exercises in areas of risk.

CFS has become an intelligence-led organisation, designing an in-house range of data mining tools to allow more accurate targeting of anti-fraud investigations.

Developing technologies can provide fraudsters with innovative ways to commit fraud but they also help investigators in their work.

In the past, frauds were perpetrated on paper, and investigators would pore over documentation, matching claims to patient records. Now, investigations involve the use of computer forensics to identify and prove that fraud has been committed.

CASE STUDIES

An investigation was undertaken into a dispensing optician who was making claims for glasses that were not provided and for adding tints to glasses when these were not clinically necessary. The patient records were analysed against claim forms submitted to the NHS and inappropriate claims amounting to £56,000 were identified. During the nine month enquiry, it became apparent that the optician had introduced a system to facilitate the fraud, persuading optometrists to sign blank NHS claim forms.

In consultation with the Crown Office a decision was made to limit the criminal case to £12,000 and pursue a civil case for full recovery of the monies from the practitioner. In order to pursue, prepare and report the £12,000 fraud to the Procurator Fiscal CFS undertook an extensive investigation which included:

- Manual analysis of 1800 NHS record cards against 10000-12000 claim forms;
- Tracing, interviewing and taking statements from 120 patients;
- Taped interviews of witnesses and the suspect.

The optician pleaded guilty to a charge of defrauding the health service of at least £6,000 and was sentenced to 200 hours of Community Service.

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A surgical theatre technician was the subject of a joint investigation by Strathclyde Police and CFS when it was identified that he had stolen equipment and surgical items from a number of hospitals and was selling them on e-Bay.

More than 200 items of surgical equipment and supplies were found in his garage which he was selling on eBay to buyers as far afield as Australia, the Far East, and America. The investigation involved computer forensics to analyse:

- 1 PC Tower with twin 250GB hard drives;
- 2 laptops;
- 2 mobile phones;
- 40,000 Email Detective reports generated;
- 1500 HTML files recovered and recreated.

The technician pleaded guilty to stealing £23,000 worth of equipment and surgical items and was sentenced to 20 months in prison.

A PATIENT PERSPECTIVE

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With the establishment of the CFS in July 2000, a national programme of patient checking was implemented to confirm patients' entitlement to obtain NHS services free of charge.

The work of the Patient Claims Team includes the recovery of charges from patients who can afford to pay NHS charges (such as those for dental treatment) but who choose to evade these. Patients who can pay charges but refuse to do so are identified and, where they are unable to produce proof of entitlement, civil penalty charges are applied.

Recovered charges are quantifiable and are returned to Health Boards annually but the deterrent effect of checking is not so obvious. Consequently, in order to establish the financial benefit to Scotland's NHS, a risk measurement exercise is undertaken every two years. The results of these exercises demonstrate a continuing downward trend in fraud and error across NHS primary care services.

Vulnerable patients are offered support and advice by the Team who are experts on the types of benefits which entitle patients to free NHS services

Patients do not necessarily see the checking process as negative since it can help them understand their entitlements and stop them unwittingly committing fraud.

“I was really grateful for the help and advice I received from the Patient Claims Team”

Rosemary Abraham, Patient



A CO-ORDINATED APPROACH

To achieve success, the fight against fraud requires full commitment not only from those at the strategy planning level but from those who find themselves in the front line.

NHS Boards bear the primary responsibility for ensuring a safe and efficient NHS service within their area and are therefore in the vanguard. They have shown a real willingness to initiate and participate in actions to prevent fraudulent abuse of NHS services and recognise the value of co-operation in managing and containing the attendant risks. All have therefore endorsed a Partnership Agreement with CFS which outlines clearly the roles each partner should play in counter fraud activities.

In line with the Scottish Government's NHS counter fraud strategy, each NHS body has appointed an NHS counter fraud champion - a concept unique to Scotland. Our Scottish champions are taking the lead in promoting an anti-fraud culture within their own Boards.

Each body has also identified a Fraud Liaison Officer to act as the point of contact with CFS and to provide and receive intelligence on local cases of possible fraud.

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To maximise their counter fraud contribution, both liaison officers and champions participate in a Scotland-wide network

This was established by the Scottish Government and CFS, to provide a national forum for exchanging ideas and implementing common priorities and actions.

Communication is being enhanced via the creation of a blog, through which champions can generate discussion and share best practice.

Examples of work by Boards include: an NHS counter fraud action group established by NHS Lothian to evaluate counter fraud measures and produce their own pro-active initiatives;

and

the promotion of counter fraud awareness by a number of Boards via the inclusion of information on their intranets or regular articles on counter fraud activities in staff newsletters.

SPREADING THE WORD

The Scottish Government and CFS have always recognised the crucial role of the media in harnessing the public's support for NHS counter fraud activities and helping to deter fraudsters. A communications team was therefore set up within CFS for that purpose. There are a number of strands to the team's activities.

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With an estimated daily newspaper readership of 1.4 million, the value of press coverage cannot be underestimated so building relationships with Scotland's national press has been a cornerstone. The goal is deterrence by bringing the increasing number of successful prosecutions of individuals found guilty of defrauding the NHS of vital funds to the attention of the Scottish public.

The vast majority of NHS staff are honest professionals who are appalled when fraudulent behaviour by their colleagues is identified. To raise awareness of the detrimental impact of fraud and encourage people to play a full role in reducing this, the communications team deliver counter fraud awareness presentations and workshops to a wide variety of audiences within and outwith the NHS.

NHS fraudster stole £1,500 'to support her family'

Man jailed for hospital thefts

Nurse made £10,000 on sick leave

© Evening News, Edinburgh

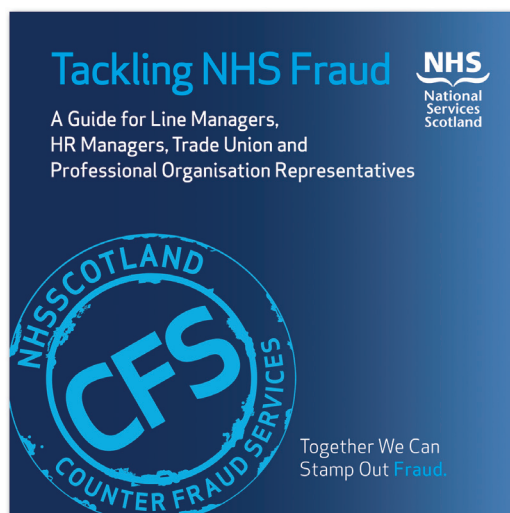
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The work of the communications team is evolving – they are harnessing technology, targeting resources and using new methods of communication to maximise impact.

- A website has been set up, enabling NHS staff and members of the public to report suspected frauds and to learn about CFS and its activities.

- An e-Learning package has been designed to enable NHS staff to gain an understanding of NHS fraud and what they can do to help in the fight against it.
- A DVD has been developed in partnership for use by Human Resource colleagues within Boards to support their training of NHS managers and HR staff.



FORGING ALLIANCES

Tackling NHS fraud is more effective when the fight is shared with partners who have the same goal.

In light of this, there has been an on-going programme by the Scottish Government and CFS to identify and develop relationships with other organisations which have a shared interest in countering various types of healthcare fraud. These mainly take the form of charters and memoranda of understanding.

Charters have been signed with the Royal College of Nursing Scotland, the Royal College of Midwives Scotland and Health professional representatives for GPs, Dentists, Optometrists, Pharmacists and NHS Staff.

Memoranda of Understanding have been agreed with those bodies involved in operational activities, such as the Association of Chief Police Officers in Scotland, General Medical Council, The Health Insurers Counter Fraud Group and the Health Professions Council.

CFS also works collaboratively with the Department for Work & Pensions and the Business Services Authority, with which it has Service Level Agreements and is continuing to develop its working relationship with the UK Border Agency.

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STRENGTHENING BONDS WITH EUROPE

The funding of healthcare systems throughout Europe is varied but the detrimental impact of fraud across these systems is always the same – it harms legitimate patient care.



EHFCN Conference 2009, Edinburgh. © Chris Watt

We recognise that there is a growing similarity between the types of healthcare fraud being perpetrated in countries across Europe and that national borders are not necessarily a barrier to infiltration by fraudsters. The Scottish Government and CFS are therefore keen to liaise with friends and allies from European healthcare counter fraud organisations to share information, trends, ideas and experiences of investigating fraud.

We are currently members of the European Healthcare Fraud & Corruption Network which helps us with this task. To maximise the benefits of Network membership, the Scottish Government and CFS promote and support its activities by participating in working groups and having an elected member of the Executive Committee.

“Our Scottish members have always proven very motivated and effective in their fight against healthcare fraud. We hope that strengthening bonds with Europe will give further prominence to this fight, delivering a clear message to fraudsters there is a strong European will to win this battle.”

Paul Vincke, EHFCN President

A keynote event was the hosting by the Scottish Government in October 2009 of the annual conference of the European Healthcare Fraud & Corruption Network which explored the potential of cross-border healthcare to act as a gateway to fraud and corruption.

Overseas visitors obtaining NHS services free of charge when they are liable for charges is one of the areas where the Scottish Government has issued updated guidance to NHS Boards and CFS investigators have been building up expertise and a close working relationship with the UK Border Agency. **These visitors are in the minority** but their evasion of treatment

costs can cost the NHS considerable sums. To date, the work of CFS in this new area has resulted in estimated savings to Scotland's NHS of more than £1 million.

In August 2010, the CFS and the Scottish Government hosted a visit from representatives of the Norwegian Health Economics Administration which makes payments to health service providers in Norway and reimburses the costs of a range of medicines, dental services and health services abroad. The delegates were keen to learn more about the Scottish approach to combating NHS fraud and to discuss co-operation.

The European Healthcare Fraud & Corruption Network has recognised Scotland's counter fraud work in the healthcare arena – on 28 September 2010, CFS was presented with an EHFCN Excellence Award.

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