

NEW YORK STATE INSURANCE FUND

NYSIF[®]

Help NYSIF Fight Fraud



**'Red Flags' of Claims Fraud
About Policy and Provider Fraud
Reporting Fraud to NYSIF**



nysif.com

THE NEW YORK STATE INSURANCE FUND

Workers' Compensation & Disability Benefits Specialist since 1914

Then...Now...Always TM



Contents

Help Us Fight Fraud / 1

Red Flags of Claims Fraud / 3

Four Types of Policy Fraud / 5

Medical Provider Fraud / 6

Reporting Fraud to NYSIF / 7



Help Us Fight Fraud

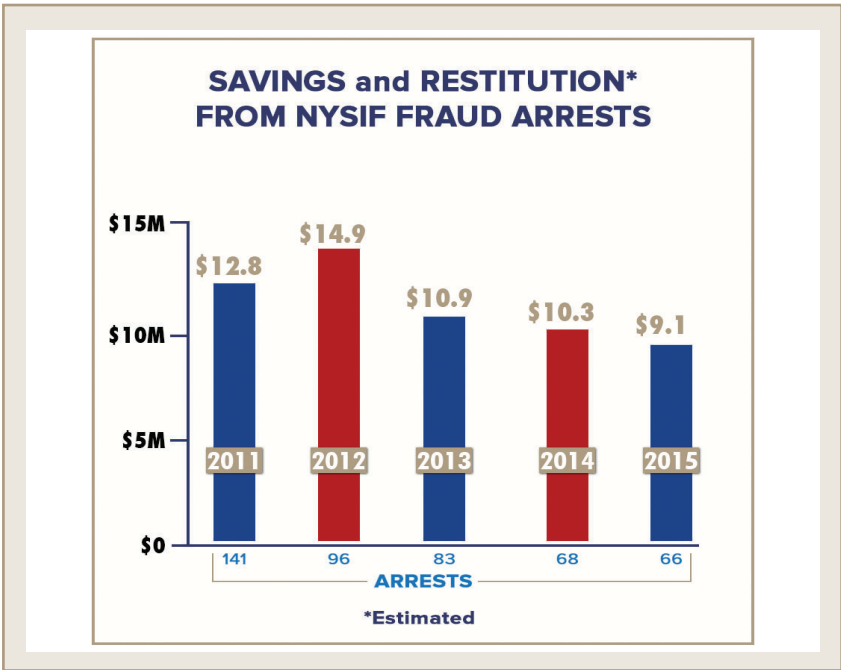
It's a popular misconception that fraud is a victimless crime but insurance fraud takes hard-earned money from the pockets of taxpayers, consumers and honest businesses. Workers' compensation fraud is estimated to cost the insurance industry \$5 billion annually, resulting in increased premiums, less money for investment and hiring, and higher prices for goods and services.

Workers' compensation fraud is a felony in New York State. The New York State Insurance Fund is dedicated to identifying, investigating and presenting cases to law enforcement for criminal prosecution of claimant, policyholder and medical provider fraud.

NYSIF is the leading carrier of workers' compensation insurance in New York State. NYSIF's Division of Confidential Investigations (DCI) is among the most active special investigation units in the country, working with local, state and federal authorities in the investigation, arrest and indictment of individuals and businesses suspected of fraud involving NYSIF.

You can help us do more to fight fraud. This booklet contains information to help you identify and protect yourself against various types of claimant, policyholder and medical provider fraud, and help us by reporting fraud to NYSIF.

Since 1995, NYSIF's anti-fraud program has led to more than 1,900 arrests and over \$242 million in estimated savings and restitution.



As New York's largest workers' compensation insurance carrier, NYSIF is committed to continuing the crackdown on fraud, and lowering the cost of living and doing business in New York. With your help, we can do more.

Red Flags of Claims Fraud

Q: How can I help in the fight against fraud?

*A: Pay attention to the **Red Flags**.*



Common Red Flags



Suspicious Account of Accident

- No specific date, time and place of injury in claim report
Injury details are sketchy in claim report
- Claimant's description of accident has inconsistencies, or is not believable
- Discrepancies between claimant's version and witnesses' accounts
- Injury is not witnessed
- Rumors that accident is illegitimate
- Accident happens in an area where claimant does not work
- Discrepancies between claimant's account of injury and medical reports

Claimant Behavior

- Claimant difficult to contact during working hours, answering machine screens calls, or post office box is residential address
- Claimant hires attorney shortly after the accident

Employment History

- Claimant is new on the job
- Injury reported after a serious problem on the job, such as disciplinary action, demotion, being passed over for promotion, etc.
- Claimant complains about job, supervisor or company
- Injury occurs prior to anticipated layoff, termination, strike, etc.
- Claim reported after claimant has been terminated
- Accident occurs after claimant has excessive, unexplained time off



Generally, if you find clusters of “red flags” connected with a claim, the claim should be examined with care to determine if the claimant has lied about any material fact connected with the claim.

Personal History

- Claimant has taken out a private disability policy just prior to injury
- Claimant is having financial difficulties or domestic problems at time of claim

Suspicious Timing of Claim

- Injury reported to have happened early Monday or on the day of return from vacation
- Untimely delay in reporting injury to supervisor
- Injury is seasonal (before seasonal layoff)

Suspicious Nature and Extent of Injury

- Injury is not associated with claimant’s job duties
- Injury involves soft tissue and cannot be objectively confirmed
- Claimant refuses to return to work after being cleared for return by doctor
- Employee has history of reporting subjective injuries
- Injury inconsistent with activity at time of accident
- Claimant engages in high-risk leisure activities

Four Types of Policy Fraud

NYSIF vigorously detects, investigates and prosecutes workers' compensation policy fraud. Fraud committed by dishonest businesses has the most costly impact on the workers' compensation system and creates a competitive imbalance among competing businesses.

Application Fraud

- Applicant misrepresents having had prior insurance with NYSIF to avoid paying past due premium
- Applicant misrepresents the nature of business
- Applicant misrepresents number of employees, payroll, or both

Premium Fraud

- Policyholder misrepresents amount of payroll, number of employees or nature of employment

Broker Fraud

- Broker misrepresents nature of business of clients with or without knowledge of policyholder

Non-Insured (Certificate) Fraud

- Business presents forged certificate of workers' compensation insurance to obtain mostly subcontracting jobs while workers remain uninsured, leaving the certificate holder liable

Protect Yourself From Fraud By Uninsured Businesses

NYSIF's electronic certificate of insurance system — eCERTS® — is accessible to policyholders, brokers or anyone at nysif.com.

Certificate holders can use eCERTS® day or night, 365 days a year, to validate NYSIF certificates. Each certificate created, printed, duplicated or e-mailed with eCERTS® has a distinct validation number, allowing those who hire contractors or sub-contractors to identify authentic NYSIF certificates and forgeries. Contractors who accept fraudulent certificates from uninsured sub-contractors are liable for the sub-contractor's workers' compensation insurance premium. Validating a NYSIF certificate is as simple as scanning the unique QR code found on each certificate.





Medical Provider Fraud

Red Flags of Provider Fraud



- Provider's reports appear identical for different patients with different conditions
- Much higher health care costs than expected for type of injury
- Attorney and provider are known to work in pairs
- Claimant has no recollection of services provided for medical bills
- Provider bills for dates of services falling on weekends or holidays
- Provider bills for dates of services after effective date of change of physician
- Provider bills multiple claims for a single injured worker
- Medical documentation does not support services billed

Why Should You Care?



*Every dollar paid out because of insurance fraud must be made up by a dollar in **additional premium**. Increases in workers' compensation premiums are **passed on** by companies in **higher prices** for goods and services.*

*Additionally, the **hidden costs** of fraud discourage businesses from giving raises, hiring or expanding, and force some companies out of the state and others out of business.*

**Fighting workers' compensation and disability benefits fraud is a team effort.
To remain successful in combating fraud, NYSIF depends on cooperation from businesses and the public to report fraud.**



Reporting Fraud to NYSIF

NYSIF makes it easy to help in the fight against fraud, and remain anonymous if you choose, by offering five ways to report suspected fraud committed against NYSIF.

Five Ways to Report Fraud

Anyone who suspects fraud against NYSIF may report it confidentially by any of the following methods:

- 1. Report fraud at our web site nysif.com**
- 2. Call our toll-free number **1-877-WCNYSIF (926-9743)****
- 3. Write to:**

NYSIF DCI
P.O. Box 3395
Church Street Station
NY, NY 10007



Reporting Fraud to NYSIF *(continued)*

4. Talk to a NYSIF investigator in your area:

Albany 518-437-8084

Binghamton 607-741-3997

Buffalo 585-258-2023

Long Island 631-756-4016

NYC 212-312-9701

Rochester 585-258-2023

Syracuse 315-453-6651

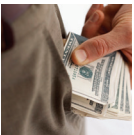
White Plains 914-701-2169

5. Call the New York State Department of Financial Services

Insurance Frauds Bureau at **1-888-372-8369**

All reports of suspected fraud are strictly confidential.

Who Wins, Who Loses?



Despite its impact on the economy and the thousands of dollars it takes from their pockets annually, nearly three of 10 Americans (29%) have indicated they would not report insurance scams committed by someone they know.

Notes

HELP NYSIF FIGHT FRAUD

Report fraud against NYSIF at nysif.com

Call our toll-free fraud hotline **1-877-WCNYSIF**

Write or call our Division of Confidential Investigations

Albany

One Watervliet Extension, Albany, NY 12206 **(518) 437-8084**

Binghamton

Glendale Technology Park, Bldg. 16, 2001 Perimeter Road East
Endicott, NY 13760 **(607) 741-3997**

Buffalo

225 Oak St., Buffalo, NY 14203 **(585) 258-2023**

Nassau & Suffolk

8 Corporate Center Dr., 2nd Fl., Melville, NY 11747 **(631) 756-4016**

New York City

PO Box 3395, Church St. Station, NY, NY 10008 **(212) 312-9701**

Rochester

100 Chestnut St., Suite 1000, Rochester, NY 14604 **(585) 258-2023**

Syracuse

1045 7th North St., Liverpool, NY 13088 **(315) 453-6651**

White Plains

105 Corporate Park Dr., Suite 200, White Plains, NY 10604
(914) 701-2169

All reporting is strictly confidential.



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Andrew M. Cuomo, *Governor*

Kenneth R. Theobalds, *Chairman*

Eric Madoff, *Executive Director & CEO*

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