A five-minute read on mitigating fraud, waste, and abuse (FWA) in health care

It’s no secret that health care is expensive. In 2018, US health care expenditures topped $3.6 trillion (or 17.7% of the Gross Domestic Product). And by 2027, US national health spending is projected to reach nearly $6 trillion. It may come as a surprise that one study found that fraud, waste, and abuse (FWA) account for about 25% of the total cost of health care. With the overwhelming disruption brought about by COVID-19, things need to change. Ongoing, evolving waves of digital transformation are underway, empowering health plans and providers to root out FWA. This quick summary provides insights and actions plans providers can take today toward that goal.

5 things you should know
While most organizations have robust security systems in place for certain things (e.g., building access, cyber threats, IT identity and access management), addressing potential FWA has largely been a reactive ad-hoc or narrow exercise.

1. Build proactive FWA detection capabilities.

Bringing in data scientists, behavioral scientists, open source intelligence and other specialists in health care FWA can provide different perspectives and analytic capabilities.

2. Make informed decisions to target FWA issues and opportunities.

Develop efficient pathways to separate out “false positives” from real issues as proactive FWA detection capabilities are implemented.

3. Get to the root cause and cost.

Enhance FWA investigation capabilities to better understand the root cause and potential cost implications of FWA through use of technology (e.g., big data, analytics and open source intelligence.)

4. Remediate FWA effectively.

Remediate identified FWA effectively through policy and process design changes.

5. A strive for continuous improvement.

Help prevent FWA recurrence by making continuous improvements to detection and remediation capabilities.

5 actions you can take

1. Build proactive FWA detection capabilities. Assess your current FWA reduction efforts and identify areas for improvement or enhancement starting with your governance structure, resources and technology. Next, take steps to modernize your thinking about ways to mitigate FWA and build more proactive high tech capabilities to attack it.

2. Make informed decisions to target FWA issues and opportunities. Develop efficient pathways to separate out “false positives” from real issues as proactive FWA detection capabilities are implemented.

3. Get to the root cause and cost. Enhance FWA investigation capabilities to better understand the root cause and potential cost implications of FWA through use of technology (e.g., big data, analytics and open source intelligence.)

4. Remediate FWA effectively. Remediate identified FWA effectively through policy and process design changes.

5. A strive for continuous improvement. Help prevent FWA recurrence by making continuous improvements to detection and remediation capabilities.

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