

School: Legal
Course: Preventing Work Comp Fraud: It takes a Village
Faculty: Curt DeVries, Owner/President, Fraudsniifr

Summary

Curt DeVries, a seasoned claims professional with over 30 years of experience, delivers an insightful presentation on preventing workers' compensation fraud. His course, "Preventing Work Comp Fraud: It Takes a Village," underscores the complexity and evolving nature of workers' compensation claims and emphasizes the collaborative efforts required to effectively manage and mitigate fraud.

DeVries begins by distinguishing between fraud and malingering. Fraud involves intentional deceit by claimants, employers, or even claims adjusters. Examples include claimants working another job while receiving benefits (double-dipping), claims adjusters withholding benefits, and employers misclassifying businesses to reduce premiums. Intentionality is the key element that defines fraud. In contrast, malingering involves a lack of motivation to recover or return to work without necessarily intending to deceive. Common reasons for malingering include financial benefits from staying on workers' compensation or fear of medical procedures.

He highlights the importance of understanding these distinctions, as the strategies to address fraud and malingering differ. Fraud requires proving intentionality, while malingering might be addressed by understanding the claimant's motivations and removing barriers to recovery.

DeVries discusses the outdated methods often used in the insurance industry and the reluctance to adopt new technologies due to past failures. He shares an anecdote about a failed attempt to implement a new claims management system, emphasizing the need for better integration of new tools with existing processes. He argues that the industry's focus on loss adjustment expenses and the siloed nature of ancillary services hinder effective fraud prevention.

To combat these issues, DeVries advocates for a coordinated approach, likening it to the "shock and awe" strategy used in military operations. By integrating multiple disciplines and leveraging their strengths, the insurance industry can better manage claims and detect fraud. He emphasizes the need for dynamic information streams, continuous updates, and collaboration among various service providers, such as nurse case managers, vocational rehab counselors, and traditional surveillance teams.

DeVries underscores the value of traditional and modern investigative tools. Traditional surveillance, although expensive, can be effective when used strategically. He suggests focusing surveillance on specific events and locations to increase cost-effectiveness. Modern tools like social media monitoring and medical canvassing provide continuous streams of information that can reveal inconsistencies in claimants' activities.

He provides practical advice on utilizing these tools effectively. For instance, medical canvassing should involve person-to-person calls to gather comprehensive and actionable information. Social media investigations should look beyond the obvious to gather insights from the backgrounds and activities depicted in photos.

DeVries stresses the importance of vocational rehabilitation in fraud prevention. Involving vocational rehab early in the claim process can help claimants find suitable light-duty work and prevent the development of a disability mindset. This proactive approach not only aids in recovery but also provides additional data points to assess the claimant's engagement in the recovery process.

In conclusion, DeVries emphasizes that preventing workers' compensation fraud requires a village. A coordinated, proactive approach using both traditional and modern tools, continuous information sharing, and a focus on the claimant's overall situation can lead to more effective fraud detection and claim resolution. By telling a compelling story using multiple sources of information, insurers can better defend against fraudulent claims and support genuine claimants in their recovery.

Learning Objectives

1. Understand the Different Types of Workers' Compensation Fraud
 - Learn to distinguish between fraud and malingering in workers' compensation cases.
 - Recognize the signs and behaviors indicative of fraudulent claims by both claimants and employers.
2. Identify Tools and Strategies to Detect and Prevent Fraud
 - Explore various investigative techniques, including traditional surveillance, social media monitoring, and medical canvassing.
 - Understand the role of technology and dynamic information streams in identifying fraudulent activities.
3. Examine the Role of Intentionality in Fraud Cases
 - Understand the importance of proving intentionality in establishing fraud.
 - Study case examples to see how intentionality is demonstrated and prosecuted.
4. Utilize Ancillary Services Effectively

- Learn how to integrate nurse case management, vocational rehabilitation, and other ancillary services to build a comprehensive defense.
 - Recognize the importance of coordination among various service providers to improve claim outcomes.
5. Develop Proactive Claim Handling Techniques
- Gain skills in proactive claim handling, including the formulation of plans to detect and mitigate fraud early in the claim process.
 - Understand the benefits of early intervention and ongoing monitoring in preventing fraudulent claims.

Primary Takeaways

1. Fraud and Malingering are Different
 - Fraud involves intentional deceit, while malingering may not include intent but affects the claim process negatively.
2. Effective Use of Investigative Tools
 - Combining traditional surveillance with modern tools like social media and medical canvassing enhances the ability to detect fraud.
3. Intentionality is Key in Proving Fraud
 - Demonstrating intentionality is crucial for prosecuting fraud, requiring clear evidence of deceitful actions.
4. Coordination Among Services Improves Outcomes
 - Effective use of nurse case managers, vocational rehab counselors, and other services can streamline the process and improve claim resolution.
6. Proactive and Dynamic Approach is Essential
 - A proactive approach, utilizing continuous information flow and early intervention, is critical in managing and preventing fraudulent claims.

Course Outline

- 1) Introduction to Workers' Compensation Fraud
 - a) Definition and Types of Fraud
 - i) Fraud vs. Malingering
 - ii) Claimant and Employer Fraud
 - b) Importance of Addressing Fraud
 - c) Financial and Operational Impacts
- 2) Investigative Tools and Techniques
 - a) Traditional Surveillance
 - i) Advantages and Limitations
 - b) Modern Investigative Tools
 - i) Social Media Monitoring
 - ii) Medical Canvassing

- c) Case Studies and Examples
 - i) Real-life Applications

- 3) Proving Intentionality in Fraud Cases
 - a) Legal Definition of Intentionality
 - i) Importance in Fraud Cases
 - b) Methods to Prove Intentionality
 - i) Evidence and Documentation
 - c) Case Law Examples
 - i) Successful Prosecutions

- 4) Utilizing Ancillary Services
 - a) Nurse Case Management
 - i) Role and Benefits
 - b) Vocational Rehabilitation
 - i) Early Involvement and Coordination
 - c) Integration and Coordination
 - i) Sharing Information Across Services

- 5) Proactive Claim Handling
 - a) Formulating Proactive Plans
 - i) Early Detection and Intervention
 - b) Continuous Monitoring
 - i) Dynamic Information Streams
 - c) Case Studies
 - i) Successful Strategies and Outcomes

- 6) Conclusion
 - a) Recap of Key Points
 - i) Importance of Fraud Prevention
 - ii) Effective Use of Tools and Services
 - b) Future Directions
 - i) Evolving Strategies and Technologies in Fraud Detection

NOTE: Artificial Intelligence was used in the creation of this document.