BIOMETRIC IDENTITY IN HEALTHCARE:

Reduces Health Care Fraud, Improves Patient Care and Protects Patient Privacy

The Financial Impact of Health Care Fraud

Health care fraud is a pervasive and costly drain on the U.S. health care system. In 2008, of the $2.34 trillion dollars spent on health care,[1] about 3 and 10 percent or between $70 and $234 billion was lost to health care fraud.[2]

Health care spending projected to rise rapidly over the next ten years[3] and losses from fraud will also increase. A coordinated effort involving the biometric identity solutions is needed to prevent and minimize health care fraud and waste while also improving health care quality, safety and patient privacy.

Reducing Fraud and Waste

State and federal budgets face increasing pressure to reduce or contain spending without reducing services. The prevention of health care fraud allows more dollars to be available for necessary health care services. The use of biometrics to secure patient and provider identities can prevent certain health care fraud, thus increasing the efficiency and effectiveness of health care programs.

Health Endangerment

The lack of patient identity safeguards presents many issues for patients and providers. Patients are victims of medical identity theft so that their records may contain health data and claims that are not theirs, jeopardizing treatments in the future and health care financial limits. Patients may have their medical records falsified to support fraudulent claims when they have not received care. Fraudsters can use providers' and patients' identities to falsify claims. All of these issues lead to less safe and efficient patient care.

Biometric Identity Solutions Deter and Reduce Fraud by:

- Preventing card sharing and patient identity theft by authenticating the patient in the provider's location.
- In fee-for-service programs, preventing provider billing for "phantom claims" or services when a patient is not at the provider location on the service date.
- Verifying managed care "encounter data" or services from providers so that Medicare and Medicaid programs can rely on this reported data for setting of managed care rates.
- Creating an "audit trail" of check in and check out times for comparison against type of service provided as an indicator of potential fraud called "upcoding."

---

[1] HHS, Centers for Medicare and Medicaid Services, National Health Expenditures Web Tables, Table 1; available at http://www.cms.hhs.gov/NationalHealthExpendData/downloads/tables.pdf

[2] Federal Bureau of Investigation, Financial Crimes Report to the Public, Fiscal Year 2007 at ("FBI Report"), available at http://www.fbi.gov/stats-services/publications/financial-crimes-report-2009

[3] HHS, Centers for Medicare & Medicaid Services, National Health Expenditure Projections ("HHS Projections"), Table 1; available online at http://www.cms.hhs.gov/NationalHealthExpendData/downloads/proj2008.pdf

INTERNATIONAL BIOMETRICS & IDENTIFICATION ASSOCIATION
919 18TH STREET, NW ◆ SUITE 901 ◆ WASHINGTON, DC 20006 ◆ USA
TEL 202.587.4855 ◆ FAX 202.587.4888 ◆ WWW.IBIA.ORG

Additional Health Care Program Benefits Include:

- Assists providers to obtain faster payments for services rendered by verifying at the provider's location that a patient is eligible at the time of service.
- Reduces the costs and risks associated with the 'pay & chase' programs that attempt to recoup inaccurate and fraudulent payments.
- Increases patient safety by reducing medical errors due to mismatched or incomplete records. The unique biometric identifier ensures an accurate match to their electronic health care record under most care conditions.
- Provides a unique and more accurate patient and provider master index to ensure that patient records in multiple provider locations can be linked accurately. This increases the usefulness of electronic health records, their safety and privacy.
- Protects patient identity and patient health care information by providing an efficient and convenient means of authenticating both patients and providers before allowing access to records.
- In health care programs, where individuals' eligibility for certain services often changes, biometrics also would be able to verify that the individual requesting treatment is eligible or not. This information would obviously be of great value to patients and providers
- Reduces costs and eliminating 'inventory theft, ' for example securing medication cabinets through biometric access can provide accurate audit trails detailing what individuals accessed the inventory. This is proven to reduce inventory loss and theft.

Biometric technology represents the future for positive healthcare identification and will enhance the secure use, storage, and exchange of personal health information.

"***Different people with identical names*** - even with the same birth dates - are a fairly common occurrence among Harris County Hospital TX district's 3.4 million patient records. A 2007 study found that ***more than 466,000 patients have shared names with at least 24 others***. The most common in the database is Maria Garcia, which belongs to 2,488 patients, 231 of them share the same date of birth." ***Houston Chronicle, 5/5/11***