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## Blue Cross Turns to New Technology to Tackle Waste and Fraud

The situation is not that uncommon. You visit a doctor. They bill your insurance company for a series of services. The doctor doesn't mention that the services are all part of the same treatment. In doing this, the insurance company pays your doctor a higher amount than it would have if the services were lumped together.

According to the National Health Care Anti-Fraud Association, this is considered health insurance waste that costs insurance companies close to \$51 billion across the nation. But the chances of getting caught just went up for those hoping to collect a little, or a lot, more on their health insurance claims in Idaho.

Blue Cross of Idaho has partnered with Atlanta-based EDIWatch to help reduce the amount of health insurance waste and fraud it handles each year.

The health insurance company, one of the largest in the state, says it's not doing anything new. It has been actively trying to reduce the amount of insurance waste and fraud over the past few years. In 2010, it saved \$2 million by detecting wasteful claims, said Karen Early, spokeswoman for Blue Cross.

Now, Blue Cross is improving how it monitors waste and fraud activity by using new software from the data analytics company. The software alerts Blue Cross that suspicious claim activity is occurring and should be inspected by the company's claims investigators.

"Most insurance companies like Blue Cross of Idaho are saying, 'We have a duty to know where our money is going,'" said Arjomand Rahimzadeh, president and CEO of EDIWatch. "Without knowing, you have no power to take action."

Blue Cross doesn't have a set goal of how much money it hopes to save by using the software, said Josh Jordan, corporate communications supervisor for Blue Cross. Instead, the company hopes that the software will help keep insurance premiums low.

Insurance waste and fraud spikes the insurance company's costs and forces it to raise its premiums, he said.

The good news is, most waste isn't malicious. Some incorrect claims are an attempt to get extra money, Jordan said, but most waste occurs when medical providers don't know how to charge insurance companies correctly.

"A huge majority of providers are good people and they are not trying to commit fraud at all," he said. "Using this software will help us educate providers on the correct way to bill us."