Understanding Fraud Risk in Electronic Health Records

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Tania Adams, San Francisco, is a Director in the Enterprise Risk Services (ERS) practice. She has over 15 years of experience in business process analysis, financial management and system operations and maintenance. She specializes in the design, implementation and assessment of business process controls, information technology controls and application security for ERP and Custom Application Systems. Her system experience includes SAP, Oracle, PeopleSoft, JDE and Custom Applications. Tania holds a Masters of Business Administration (MBA), and is a Project Management Professional (PMP).

Debra Baker, San Jose, specializes in performing corporate investigations and assisting companies understand and address business and anti-corruption risks with their global third parties, utilizing risk intelligence technology. Debra also works directly with companies’ internal audit and legal departments on assisting with internal investigations and has spent over two years in India leading the forensic and dispute practice. Debra has experience in numerous industries such as life sciences, technology, media & entertainment and consumer products. Debra is a certified public accountant (CPA).

Jason Miller, Columbus, has 12 years of business process and information systems audit and controls experience. He serves several industries, including health care, health insurance, and higher education. His areas of emphasis are information systems and business process auditing and consulting, with particular experience in assessing ERP technology & business-related risks and controls. Jason has led cross-functional application security and controls reviews with an emphasis on ERP software packages, such as PeopleSoft, EPIC, and SAP. He is a Certified Information Systems Auditor (CISA), and a Certified Information Systems Security Professional (CISSP).
• What is fraud risk?

• What is Electronic Health Record (EHR)?

• Controls to prevent or mitigate fraud risk

• Investigating potential fraud events

• Fraud risk mitigation strategies

Agenda / Definitions
What is Fraud Risk?

- The exposure of an organization to wrongful or criminal deception for an individual’s financial or personal gain

- Three broad categories of fraud:
  - Asset misappropriation (theft)
  - Fraudulent financial reporting
  - Corruption
What is EHR?

- Systematic collection of electronic health information about individual patients or populations
  - May include:
    - Patient demographics
    - Medical history
    - Medication and allergies
    - Laboratory data and radiology reports
    - Billing information

- Different from an electronic medical record
EHR Control Hierarchy
EHR Characteristics, Fraud Risks, and Controls

Patient

EHR contains patient information and medical history

Fraud Risks

- Identity theft
- Rescission of insurance benefits

Controls

- Data security
- User security
- Sensitive access monitoring
- Audit logging & monitoring
- Segregation of duties
# EHR Characteristics, Fraud Risks, and Controls

## Financial

- EHR contains claims & billing information

## Fraud Risks

- False claims
- Short stay admissions
- Physician arrangements
- Pay for performance

## Controls

- Fictitious patient monitoring
- Analytical patient & revenue review
- User security
- Contract review & monitoring
- Claims review
- Segregation of duties
Investigating Potential Fraud Events

- EHR fraud schemes and trends
- Data patterns as a potential indicator of fraud
- Case Studies
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