ARTIFICIAL INTELLIGENCE & FRAUD PREVENTION

HEALTH INNOVATION ALLIANCE

WHAT'S THE PROBLEM?

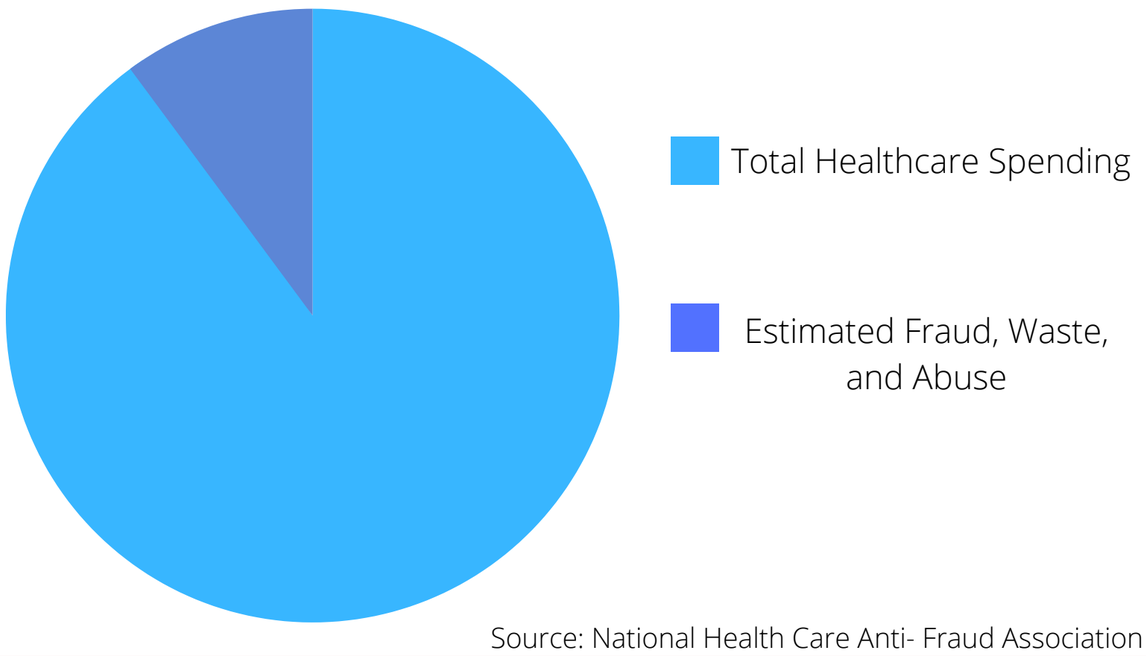
Since 2016, HHS-OIG has seen a significant increase in “telefraud”: scams that leverage aggressive marketing and so-called telehealth services. In these scams, care was not provided to beneficiaries or were unneeded to the patients and their actual primary care doctors. Expanding telehealth permanently to Medicare beneficiaries and others should include strong anti-fraud protections for consumers and taxpayers.

BACKGROUND

- Most current efforts to address fraud in HHS programs rely on costly, time-consuming audits.
- Most fraud-prevention systems are reactive to fraud only after it occurs. Medicare needs A.I. to identify and prevent fraud before it happens.
- Currently, HHS-OIG uses AI to assist only small aspects of our oversight and enforcement.

FAST FACTS

- Between $70 billion and $300 billion in federal healthcare spending, is lost due to fraud, waste, and abuse every year.



Source: National Health Care Anti- Fraud Association

WHAT'S THE SOLUTION?

Use AI and machine learning (ML) to spot and stop fraud, just like private sector health companies.

Fraud Reduction Act

- Requires HHS OIG to contract with private companies/experts for new tools to combat telehealth fraud specifically, including predictive analytics, and AI/ML.
- Instructs OIG to include telehealth fraud schemes in its reports to Congress, including an effectiveness analysis of the use of new tools (AI/ML) in combating fraud.
- Funds effort at at $1 billion over 5 years.

REQUIRING OIG TO USE A.I. IN FRAUD ENFORCEMENT WOULD IMPROVE ON THE CURRENT PREDICTIVE ANALYTICS STRATEGY AND RETURN MORE TO TAXPAYERS WHILE BOLSTERING CONFIDENCE IN MEDICARE’S INTEGRITY.

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- Many fraud prevention systems currently used by the federal government are rules-based, meaning they look at a defined set of factors that indicate a transaction looks out-of-place.
- Machine Learning models outperform rules-based models because the former incorporate more factors that can predict fraud, and because it is easier and faster to retrain models to keep-up with or stay-ahead of fraudsters.
- The predictive nature of preventing fraud - enabled by AI models – are proactive in nature, while rule-based systems are usually post-event and reactive.

RATIONALE:

Using AI/ML in fraud enforcement would improve current fraud-prevention strategies and reduce program costs.	Employing robotic process automation for high-frequency repetitive tasks eliminates the room for human error reducing program costs by 50%-70% in the private sector. Source: Ernst & Young
AI/ML can identify and prevent fraud before it happens, saving billions in the process	A 1% reduction in fraud results in $1 million savings per month. Source: H2O.ai
Eliminate the need to use old-school and provider burdensome methods like requiring patients to present in-person before telehealth is authorized	Fraud prevention should never hinder patient access to needed medical care and increase compliance costs.