

MEDSHIELD MEDICAL SCHEME

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An Authorised Financial Services Provider (FSP 51381)

**MEDSHIELD**
medical scheme

30 January 2023

Dear Medshield Member

NEW REQUIREMENTS FOR REFUND CLAIMS

During a recent Fraud, Waste and Abuse campaign, member refund fraud was highlighted as a key factor that is increasing year-on-year. The effect of these fraudulent activities is that honest members are inevitably impacted, and this is normally in the form of higher annual increases.

What is Healthcare Fraud?

Healthcare fraud is one of the fastest growing crimes in South Africa today. Classified as a white-collar crime, healthcare fraud eats up huge amounts of money from the South African economy each year. One expert puts the figure at R930 million per annum and postulates that the poor conviction rates are partially to blame for the rise in this type of crime.

The elements of waste and abuse are as harmful as the effect of fraud, and both have a direct impact on other medical scheme members, including the viability of the private healthcare sector and that of the economy.

Collusion between healthcare service providers and medical scheme members is the same as fraud as it contains the elements of intent, deception and undue benefit. The sad reality is that fraud, including the abuse and waste of benefits, and any other collusive behaviour, has a negative impact on the benefit pot of a medical scheme – the same benefit pot on which all the members belonging to the Scheme rely on should they require unexpected, costly and life-saving medical treatment.

What kind of action is classified as fraud, waste and abuse?

- Allowing your healthcare provider to charge for services they did not provide;
- Loaning your medical scheme card to unregistered dependants, i.e. friends and family members;
- Providing your medical scheme or policy details to a healthcare provider to submit false claims to obtain a percentage of cash for the healthcare provider upon payment of the false claims by the medical scheme or insurer;
- Buying non-medical goods with your medical scheme card from doctors and pharmacies;
- Being admitted to the hospital for a non-existent ailment to benefit from the cash payment from your insurer.

Some examples of member healthcare fraud categories include, but are not limited to the following:

- **Fraud by medical scheme members:** fake ailments, membership substitution, dual membership, doctor hopping, false or altered invoices and identity theft.
- **Fraud, waste and abuse by healthcare professionals:** misuse of practice number, servicing non-members using the details of registered members, claiming for services not rendered, over-servicing, merchandise substitution, script alterations, claiming for expensive branded medicines and dispensing the cheaper generic equivalent and reckless billing methods.

How is Medshield limiting the impact on our members?

Considering the above, Medshield Medical Scheme has implemented a new process for refund claims (when a member has settled their account with the healthcare provider and claims from Medshield to refund the member directly) to curb refund fraud.

With immediate effect, all refund claims will require a receipt from the provider or a copy of the payment machine receipt or proof in the form of an EFT statement.

N.B. PAID stamps and NIL balances will no longer be accepted as proof of payment

How can you report Fraud, Waste and abuse?

1. Call anonymously on toll-free number 0800 112 811
2. SMS to 33490 or WhatsApp at -27 (0) 071 868 47923
3. Whistleblower WhatsApp Chatbot and Call (No or low data cost to the user): Save +27 31 308 4664 to your contacts and initiate conversations via WhatsApp

Medshield is committed to our members and measures like the above process change has been implemented to protect our members from Fraud, Waste and Abuse which negatively affect the entire member pool. If you have any queries or questions, please contact the Medshield Contact Centre at 086 000 2120.

Let us all do our bit in the fight against fraud.

Regards

Medshield Medical Scheme