



**BlueCross BlueShield
of Illinois**

February 4, 2010

VIA ELECTRONIC AND U.S. MAIL

The Honorable Patrick J. Leahy
Chairman, Committee on the Judiciary
c/o Ms. Julia Gagne, Committee Hearing Clerk
United States Senate
224 Dirksen Senate Office Building
Washington, DC 20510

Re: Response to the Committee's January 13, 2010 Request for Information

Dear Chairman Leahy:

Please find enclosed my response to a written question submitted by Sen. Ron Wyden in connection with testimony I provided on May 20, 2009 to the Committee at the hearing entitled "Criminal Prosecution as a Deterrent to Health Care Fraud."

Please accept my apologies for the inadvertent delay in responding to Sen. Wyden's question. I did not receive the written question, or any further correspondence from the Committee other than the May 29, 2009 transmittal of my hearing transcript, until my receipt this week of your January 13, 2010 letter (attached). In light of this, to the extent any formal notice of non-response was entered into the record as advised in the attached letter, I respectfully request that the record be corrected to indicate the circumstances above, as well as my prompt compliance with your request upon its receipt.

Thank you for your consideration in this matter.

Sincerely,

Sheri A. Farrar
Executive Director, Special Investigations Department
Health Care Service Corporation,
a Mutual Legal Reserve Company

Enclosure

cc: John Gleason, Executive Director, Government Relations & Public Policy

Hearing: "Criminal Prosecution as a Deterrent to Health Care Fraud"
Question from Senator Ron Wyden

**Response of Sheri Farrar, Executive Director of the Special Investigations Department
("SID") of Health Care Service Corporation, a Mutual Legal Reserve Company**

Question: Toll free fraud report lines are impersonal and it is not easy to get a call through, especially if you're elderly or disabled. It seems to me that done right, reporting of suspected health care fraud and waste by consumers and providers could assist government oversight efforts and could even prevent the pay-and-chase dynamic. How might we better engage consumers and healthcare providers to increase reporting and "watchdog" efforts?

Response:

I agree that increasing the awareness of our consumers and providers to potential fraudulent and/or abusive billing practices and educating them on how best to respond to suspicions of such activity are vital to enhancing antifraud efforts.

Some suggestions to better engage consumers and providers may be:

1. Mailing of regular explanation of benefit reports to people receiving services from all government and private health insurance programs to provide consumers with the ability to review and evaluate the services for which the government is issuing payments. The reports should provide easily identified telephone or email contact information so that concerns can be reported.
2. Ensure adequate staffing of contact telephones and email mailboxes with qualified personnel skilled in responding to the inquiries/concerns of callers. Many times calls are actually customer service issues which can be quickly resolved by knowledgeable personnel. When callers receive timely and accurate assistance with customer service inquiries, they may be more likely to report fraudulent and/or abusive suspicions. Trained personnel to staff fraud hotlines are often used by private insurers to enable 7-day per week/24-hour coverage, with foreign language capabilities.
4. Consider public service announcements/advertisements/website information which provide information about health care fraud and common fraud schemes, as well as how to report suspected fraud and abuse. Public-private partnerships with non-profit groups whose membership/audience are likely to be beneficiaries of Medicare and Medicaid may also be helpful in disseminating this important information.
5. Develop checklists for providers (perhaps in partnership with the AMA or other medical associations) to enable them to reduce their risk to health care fraud schemes such as information on medical identity theft, warnings concerning seminars which promote ways to enhance income, etc.

PATRICK J. LEAHY, VERMONT, CHAIRMAN

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January 13, 2010

Ms. Sheri A. Farrar
Executive Director
Special Investigations Department
Health Care Service Corporation
300 East Randolph- 11th Floor
Chicago, Illinois 60601

Dear Ms. Farrar:

On May 20, 2009, at 10:00 a.m., you testified at the United States Senate Committee on the Judiciary hearing entitled "Criminal Prosecution as a Deterrent to Health Care Fraud." Members of the Committee submitted written questions to you, but we have no record of your responses. I am writing to ask you to rectify this problem without further delay.

It is imperative that witnesses provide complete, accurate and timely responses, as required by law, to questions posed to them by members of the Committee. We provide a two-week period after a hearing for witnesses to submit answers in response to written questions. Witnesses may seek extensions for good cause beyond the two-week period, but the outstanding questions submitted to you have been pending for seven months. For your convenience, a copy of the submitted questions is enclosed.

Please note that if you fail to respond, a formal notice will be entered into the official hearing record stating that you chose not to answer the questions submitted to you. It is, therefore, my hope that you respond to the questions as soon as possible. Please respond by Friday, January 8, 2010. Please direct your correspondence to the Committee's Hearing Clerk, Julia Gagne, at (202) 224-7703 or via email at Julia_Gagne@judiciary-dem.senate.gov.

Sincerely,


PATRICK LEAHY
Chairman

Hearing: "Criminal Prosecution as a Deterrent to Health Care Fraud"

Questions from Senator Ron Wyden

For Sheri A. Farrar, Executive Director, Special Investigations Department, Health Care Service Corporation, Chicago, IL:

Toll free fraud report lines are impersonal and it is not easy to get a call through, especially if you're elderly or disabled. It seems to me that done right, reporting of suspected health care fraud and waste by consumers and providers could assist government oversight efforts and could even prevent the pay-and-chase dynamic. How might we better engage consumers and healthcare providers to increase reporting and 'watchdog' efforts?