

# **Memorandum of Understanding**

**Between**

**The Canadian Health Care Anti-fraud  
Association (CHCAA)**

**&**

**The European Health Care Fraud and  
Corruption Network (EHFCN)**

**&**

**The National Health Care Anti-Fraud  
Association (NHCAA)**

**&**

**The Healthcare Forensic Management Unit  
(HFMU)**

**&**

**The Health Insurance Counter Fraud Group  
(HICFG)**



*forensic management unit*



**HICFG** group UK  
Health Insurance Counter Fraud Group



**CHCAA**



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Memorandum of Understanding ("MoU") between the Healthcare Forensic management Unit ("HFMU") South Africa , the Health Insurance Counter Fraud Group ("HICFG") UK, the European Health Care Fraud and Corruption Network ("EHFCN"), the National Health Care Anti-Fraud Association ("NHCAA") USA and the Canadian Health Care Anti-fraud Association ("CHCAA") , jointly known as "the Organizations".

## **1 Preamble**

Crime knows no boundaries - fraud patterns can emerge in any jurisdiction and spread at the speed of the internet. In a globalized world the health care industry has witnessed a rapid increase in the movement of people and companies across borders.

Health care fraud schemes have become exportable and fraud trends are becoming notably similar from country to country. These schemes continue to grow in their complexity and represent a multi-billion dollar cost to health care and benefit payers world wide. This evolving global health care landscape creates a heightened need for international cooperation between organizations and entities involved in the prevention, detection and prosecution of health care fraud.

The objective of this document is to outline the framework for an International Network ("the Network") of health care counter-fraud associations, organizations and other entities sharing common strategic goals related to the containment and elimination of health care fraud and corruption.

## **2 The Organizations**

### ***2.1. The European Health Care Fraud and Corruption Network***

2.1.1.The EHFCN was established formally in 2005 to coordinate and advance efforts to counter healthcare fraud and corruption in Europe. Its foundations lie in the European Healthcare Fraud and Corruption Declaration, agreed by the delegates of the first pan European conference held in London in October 2004.

2.1.2.The Network is a not-for-profit organisation, based in Brussels, financed through subscription fees and the only European organisation dedicated to combating healthcare fraud and corruption across Europe. In aggregate, the member organisations of EHFCN provide healthcare services to about 400 million

people in Europe.

2.1.3. The EHFCN's primary objective is to reduce fraud and corruption in healthcare throughout Europe. By working together, its members aim to fraud proof European healthcare systems and release billions of Euros from fraud, bringing it back to healthcare services.

2.1.4. Healthcare and counter fraud organisations throughout Europe are members of the EHFCN. In addition to providing information, tools, training and assistance in fighting fraud and corruption, the EHFCN provides a forum to its members for exchanging information and ideas.

2.1.4. The EHFCN is also a partner in raising awareness and building an anti-fraud and anti-corruption culture.

## **2.3. *The Canadian Health Care Anti-fraud Association***

2.3.1. The role of the CHCAA is to combat health care fraud and assist in restoring the integrity of the Canadian health care system. Accordingly, our objectives are to:

2.3.1.1. Educate and create awareness about issues and efforts to fight health care fraud among the Canadian public, health care consumers, providers, suppliers, and members of the CHCAA.

2.3.1.2. Build public, private, national, and international partnerships with law enforcement, health regulatory bodies, consumer groups, and provider associations to protect the Canadian health care system from fraud.

2.3.1.3. Provide a forum for information sharing to combat fraud in the Canadian health care system.

## **2.4. *The National Health Care Anti-Fraud Association***

2.4.1. Founded in 1985 by several private health insurers and federal and state government officials, the National Health Care Anti-Fraud Association is the leading national organization focused exclusively on the fight against health care fraud. We are a private-public partnership — our members comprise more than 100 private health insurers and those public-sector law enforcement and regulatory agencies having jurisdiction over health care fraud committed against both private payers and public programs. Established in 2000, The NHCAA Institute for Health Care Fraud Prevention is a separately incorporated, tax-exempt educational foundation that provides education and training to private- and public-sector health care anti-

fraud personnel.

2.4.2. The role of the NHCAA is to protect and serve the public interest by increasing awareness and improving the detection, investigation, civil and criminal prosecution and prevention of health care fraud.

2.4.2. NHCAA pursues that Mission by:

2.4.3.1. Maintaining a strong private/public partnership in combating health care fraud;

2.4.3.2. Providing unparalleled learning opportunities through The NHCAA Institute for Health Care Fraud Prevention;

2.4.3.3. Providing opportunities for private- and public-sector information-sharing;

2.4.3.4. Serving as a national resource for health care anti-fraud information and professional assistance to government, industry and the media; and

2.4.3.5. Recognizing and advancing professional specialization in the detection and investigation and/or prosecution of health care fraud through accreditation of health care anti-fraud professionals.

## **2.5. The Healthcare Forensic Management Unit (HFMU) South Africa**

2.5.1. Under the banner of the Board of Healthcare Funders of Southern Africa as the representative body for medical schemes, the HFMU was launched in August 2003. The objective of the HFMU is to curb the incidences of fraud and other inappropriate behaviour which contribute significantly to the cost spiral within the private healthcare funding industry. It is envisioned that through a collective approach, patterns of behaviour of those individuals acting fraudulently or inappropriately can be altered in conjunction with the relevant statutory, regulatory or professional bodies.

2.5.2. The HFMU does not only focus on the activities of healthcare providers but also those of employees of medical schemes and administrators, medical scheme members and brokers.

2.5.3. The HFMU currently enjoys the participation of approximately 93% of the medical schemes industry as well as the support of regulatory bodies, statutory councils and professional associations. The participation of funders ensures that the techniques and tools for identifying, investigating and

dealing with fraud are fair and equitable.

2.5.4. Activities impacting on the funding industry such as fraud, abuse, misuse of funds, over-servicing, duplicate billing, kickbacks and over-billing is costing the medical schemes a great deal of money and the value would vary for each medical scheme as benefit structures and scheme rules would usually come into play when these activities are occurring.

## **2.6. The Health Insurance Counter Fraud Group (HICFG) UK**

2.6.1. The health insurers counter fraud group was commenced in July 2001 by a number of the larger insurers in the UK.

The goal back then remains the same today. To prevent and detect fraud within health care.

Initially Aviva (Norwich Union) and AXA PPP health care conducted joint investigations but cooperation soon increased as it became apparent that the same fraudsters were being identified scamming multiple companies, often at the same time.

2.6.2. As a result of joint working and sharing of intelligence, cases have been presented to both the criminal courts, General Medical Council and other professional bodies. Civil redress and criminal convictions have been obtained by health insurers which can be attributed to the co-ordinated efforts of the industry to stamp out fraud.

2.6.3. In 2011 the HICFG in partnership with the Association of British Insurers is subscribed to by 29 health related insurance companies including the ten largest private medical insurers. The membership includes serious and critical illness insurers, re insurers, health related expat insurers and cash back health insurers.

2.6.4. The HICFG provides its membership a technical platform to share intelligence in order to prevent and detect fraud within health care. The HICFG offer an accredited training course, hold an annual conference and provide its membership with bespoke technology specific to the industry.

### **3 Principles**

- 3.1 The Organizations share the common goal of reducing and eliminating health care fraud in their respective jurisdictions and globally. In this pursuit they are committed to delivering the highest quality of services and benefits to their members.
- 3.2 The Organizations firmly believe that a multilateral/ co-operative approach to the problem of health care fraud is most effective. The Organizations believe that by working cooperatively they can make a positive contribution to the reduction of fraud related losses in health care.
- 3.3 The Organizations enter into this MoU with the intention of enhancing their ability to meet their organizational objectives and provide strong value for their membership.
- 3.4 The Organizations share a common goal to ensure that those who work within, for or contract to our organizations are professional and accountable in every aspect of their work and maintain the highest integrity. The Organizations will co-operate whenever possible in working to achieve this common goal.

### **4 Commencement and Amendment**

- 4.1 This agreement will take effect for an organization on the date they become a signatory.
- 4.2 This agreement may be amended as appropriate at any time if the parties to the memorandum agree. Any amendments should be agreed in writing.

### **5 Signatories**

- 5.1 The signatories agree to implement the provisions of this memorandum and any arrangements set out in the attached documents.
  - 5.2 For the Canadian Health Care Anti-fraud Association  
Lina Capobianco, Chairperson, CHCAA Board of Directors
  - 5.3 For the European Health Care Fraud and Corruption Network  
Paul Wincke, President

- 5.4 For the Healthcare Forensic Management Unit (HFMU) South Africa  
Herman Havenga, Chairman
- 5.5 For the Health Insurance Counter Fraud Group  
Ray Collins, Director
- 5.6. For the National Health Care Anti-Fraud Associations  
Louis J. Saccoccio, Executive Director

## 6 **Scope and Purpose**

- 6.1 This Memorandum of Understanding (MoU) has been agreed between the Organizations.
- 6.2 It outlines the basis of cooperation and collaboration between the Organizations. This includes practical arrangements designed to ensure that the relationship is effective and that together we meet our aims and objectives, particularly when overlapping interests exist.
- 6.3 It sets out principles underpinning the interaction between the Organizations and provides guidance on the exchange of information between them.
- 6.4 The purpose of the MoU is to provide a framework to support:
  - 6.4.1 **The Network:** Create an international Network of health care counter fraud organizations that are engaged in the prevention, detection, investigation and prosecution of health care fraud.
  - 6.4.2 **International Awareness:** *Raise international awareness about health care fraud thus strategic partnerships.*
  - 6.4.3 **Research and Information Sharing:** Gather and share a critical mass of information on the trends, issues, facts and figures of health care fraud.
  - 6.4.4 **Global Standards of Best Practice:** Work cooperatively to improve international standards of practice around fraud prevention, detection, investigation and prosecution. Work cooperatively to improve expertise through expert training

6.4.5 **Value:** Enhance the value added proposition for each member organization and their constituents.

## **7 Opportunities for Cooperation between the Organizations**

### **7.1 The Network**

7.1.1 The primary objective of this Network is to create an International Network of health care counter fraud organizations and professionals.

7.1.2 The Network will serve to build cooperative partnerships between member organizations by opening the lines of communications between these entities through a central forum or knowledge marketplace.

### **7.2 International Awareness and Strategic Partnerships:**

7.2.1 The Organizations agree to share information about successful strategies for effectively connecting with different stakeholder groups including the public, health care providers, NGO's or any other relevant stakeholder group.

7.2.2 The Organizations agree to actively contribute to the development of effective strategic partnerships with international stakeholder groups such as the World Health Organization and United Nations.

### **7.3 Research and Information Sharing:**

7.3.1 Members agree to share information within the Network for the purpose of leveraging the existing knowledge of the entire network of organizations against the particular challenges faced by each participating member. In turn, enhancing each members ability to meet their individual organizational objectives and increase the overall value proposition for their own constituents.

7.3.2 Members agree to enhance this body of knowledge by openly contributing to:

7.3.2.1 Multilateral fraud reporting mechanisms/fraud and corruption warnings.

7.3.2.2 Joint research and educational initiatives on cross borders issues such as counterfeit drugs and health care tourism.

7.3.2.3 Research on global fraud trends and statistics.

### **7.3.3 Limitations and Exclusions on Information Sharing**

7.3.3.1 The Organizations reserve the right to limit or refuse a request to

share information with or on behalf of their membership categorically or pending approval, without providing cause or explanation.

7.3.3.2 This agreement will be limited to the sharing of generic information. It will not include any personal information whatsoever including but not limited to information about individuals within member organizations or their clients or affiliates.

7.3.3.3 Requests for information should be made in advance of the date they are required to ensure that proper approvals have been received prior to the transfer of any information.

7.3.3.4 Members will be limited by the privacy legislation in their own jurisdictions.

#### **7.4 Global Standards of Best Practice:**

7.4.1 The Organizations agree that raising the level of standards of practice amongst member organizations should be a core objective of the network. They agree to actively contribute to the elevation of overall standards of best practices by participating in:

7.4.2 Transparent information sharing exercises

7.4.3 Expert training - developing world class expertise through education and training initiatives.

7.4.4 Staff exchanges between organizations and their members.

7.4.5 Development of risk assessment methodologies.

#### **7.5 Value:**

7.5.1 Membership in the Network will generate intrinsic value for all member organizations by:

7.5.1.1 Providing access to vibrant international counter fraud knowledge market.

7.5.1.2 Generating useful research and data on health care fraud.

7.5.1.3 Mutual support for the organizational initiatives of members of The Network.

#### **7.6 Organizational Development**

7.6.1 The Organizations agree to work together to effectively promote the initiatives, events (education sessions and conferences) or other endeavours undertaken by each organization both internally and externally. Promotion refers to the circulation of information to the members of the Organizations via the internet/website, email or other communication vehicle available to the Organizations.

7.6.2 Members of the Organisations can attend events, undertaken by the Organisations, under the same conditions as applicable to the undertaking Organisations' members.

## **8 Membership and Organizational Structure**

The Organizations agree that;

8.1 The scope of membership will include national and multi-national entities who's primary mandate is the management/containment and elimination of health care fraud.

8.2 Membership will be will be determined by the existing members.

8.3 Over time, the membership will expand to include other similar organizations that will positively contribute the aggregate value of the network for its entire membership.

### **8.4 Governance and Interaction**

8.4.1 The network will require a limited governance and administrative structure to be determined by its members.

8.4.2 Joint initiatives will be organized through ad hoc committees of volunteers from member organizations.

8.4.3 The Network will be informal and largely virtual; interaction will take place online through email (lists), teleconference, e-forums and other collaborative electronic tools/environments. There should also be periodic face to face interaction when it is convenient to do so. For example in the context of an organized event or meeting hosted by one of the members.

8.4.4 Development of the Network and its activities will occur at a pace dictated

by the contributions of its members.

## **9 Confidentiality**

9.1 Each organization is subject to the duty of confidentiality owed to those providing them with confidential information and the confidentiality and security of this information will be respected.

9.2 In the event of a breach of confidentiality, the source of that information will be notified immediately by the disclosing party.

## **10 Coordination**

10.1 The working relationship between the Organizations will be characterized by regular on-going contact and open exchange of information, through both formal and informal meetings at all levels. This process can be periodically reviewed by senior contacts at the Organizations.

## **11 Endorsements**

11.1 In situations where an organization intends to expressly cite another as a direct or indirect reference, the Organization making the reference should obtain the consent of the referee before making said reference when it is reasonable to do so.

## **12 Liabilities**

12.1. The parties acknowledge that although this Memorandum of Understanding has been negotiated in good faith, it is not intended to be legally binding and no liability or obligation of any nature whatsoever is intended to be created between the parties except for the clause of Confidentiality (9).

13 **Signed Agreement**

This MOU has been approved and agreed by

  
Signed \_\_\_\_\_

Herman Havenaga  
Chairman  
Healthcare Forensic Management Unit

Date: 6/10/11

  
Signed \_\_\_\_\_

Paul Wincke  
President  
European Healthcare Fraud and Corruption Network

Date: 6/10/11

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Signed  
Ray Collins  
Director  
Health Insurance Counter Fraud Group

Date: 6-10-11