Daniel in the Lion's Den – Rubens 1613.

Dental Fraud and Rebate Maximising

'An ADA Perspective'

Stuart Gairns

BDSc. LDS. MDSc. FADI. FICD. FPFA. ANZIIF.

Chief Executive Officer

Australian Dental Association

WA Branch Inc

Australian Health Practitioner Regulation Agency

The Dental Board of Australia

Health Practitioner Regulation National Law 2010
Part 5 Section 35

- (h) to establish panels to conduct hearings about —
  - (i) health and performance and professional standards matters in relation to persons who are or were registered in the health profession under this Law or a corresponding prior Act.

Practitioner Audit

- Recency of practice standard
- Continuing professional development standard
- Professional indemnity insurance arrangements standard
- Criminal history registration standard

The Dental Board of Australia has developed policies, codes and guidelines to provide guidance to the profession. These also help to clarify views and expectations on a range of issues.

Policies

Dental Interim Policy - Registration of overseas speakers
Dental Interim Policy - Botulinum Toxin
Dental Interim Policy - Teeth Whitening/Bleaching
Dental Policy - Cone Beam Computed Tomography

Codes and Guidelines

Dental Code of Conduct

Dental Guidelines for Mandatory Notifications
Dental Guidelines on Continuing Professional Development
Dental Guidelines on Dental Records
Dental Guidelines on Infection Control
Dental Guidelines for Advertising of Regulated Health Services
Transition Guideline Conscious Sedation Area of Practice Update August 2011
Dental Guidelines on Supervision (171 KB,PDF)

Factors involved in Fraud

- A supply of motivated offenders
- Availability of suitable targets
- An absence of capable guardians

"The intensity of desire and the perception of opportunity are personality variables. The balance between desire and opportunity moves. Temptation to steal fluctuates with individual temperament and situation".

Cohen 2003

Common elements in fraud.

1. Financial strain.
2. Decline in standard of living.
3. Risk taking.
4. Ego/Power.
5. Superiority.
6. Weak restraints.
7. Undervalued services.

Australian Institute of Criminology

PREDISPOSITION TO FRAUD

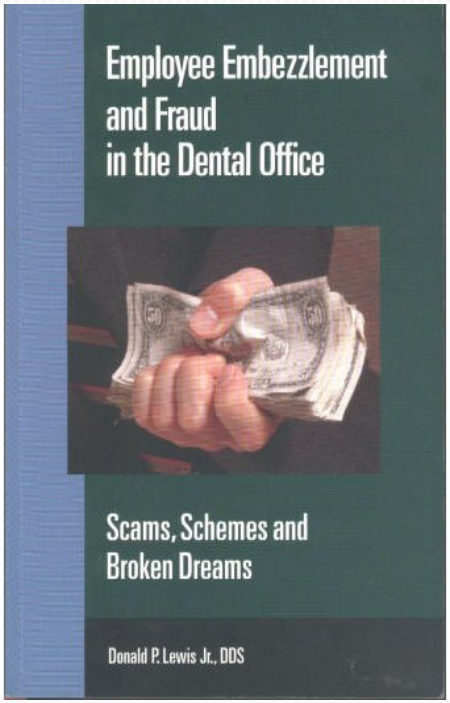
Gwynn Nettler has provided some useful insights into those characteristics that can predispose a person to wrongful behavior.

Low self-esteem.
Psychopaths and sociopaths.
Arrogance and egocentricity.
A poorly developed code of ethics.
Emotional instability.
A desire to beat the system.
Taking pleasure in manipulating others

Criminal History Checks-AHPRA

The overall percentage of 'disclosable court outcomes' reported was stable at 6% in 2011 and 2012.

COMMON DENTAL (Front Office) ISSUES



- Collusion between members and staff to make false claims.

- Electronic or paper claims for services not rendered.

- Submitting altered receipts/claims.

(These matters are facilitated by the policy of rebating unpaid accounts).

Common Frauds

Misrepresentation of treatment dates

Misrepresenting the diagnosis to justify treatment services

Falsifying treatment or financial records

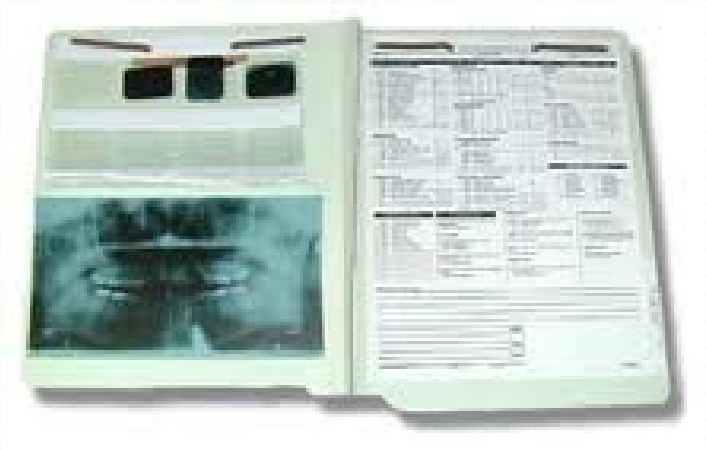
Provision of purely cosmetic work

Non-declaration of other cover

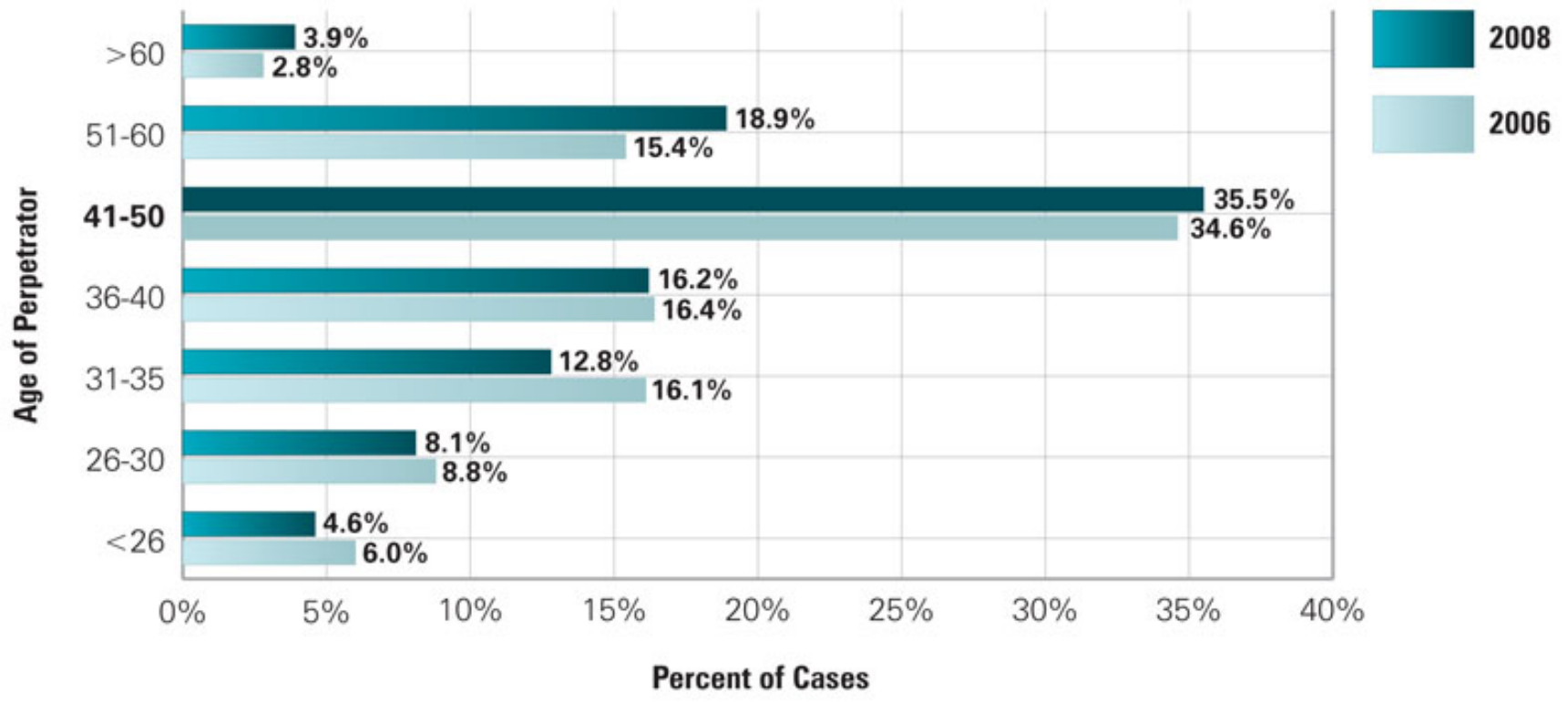
Identity misrepresentation

Rebadging services denied

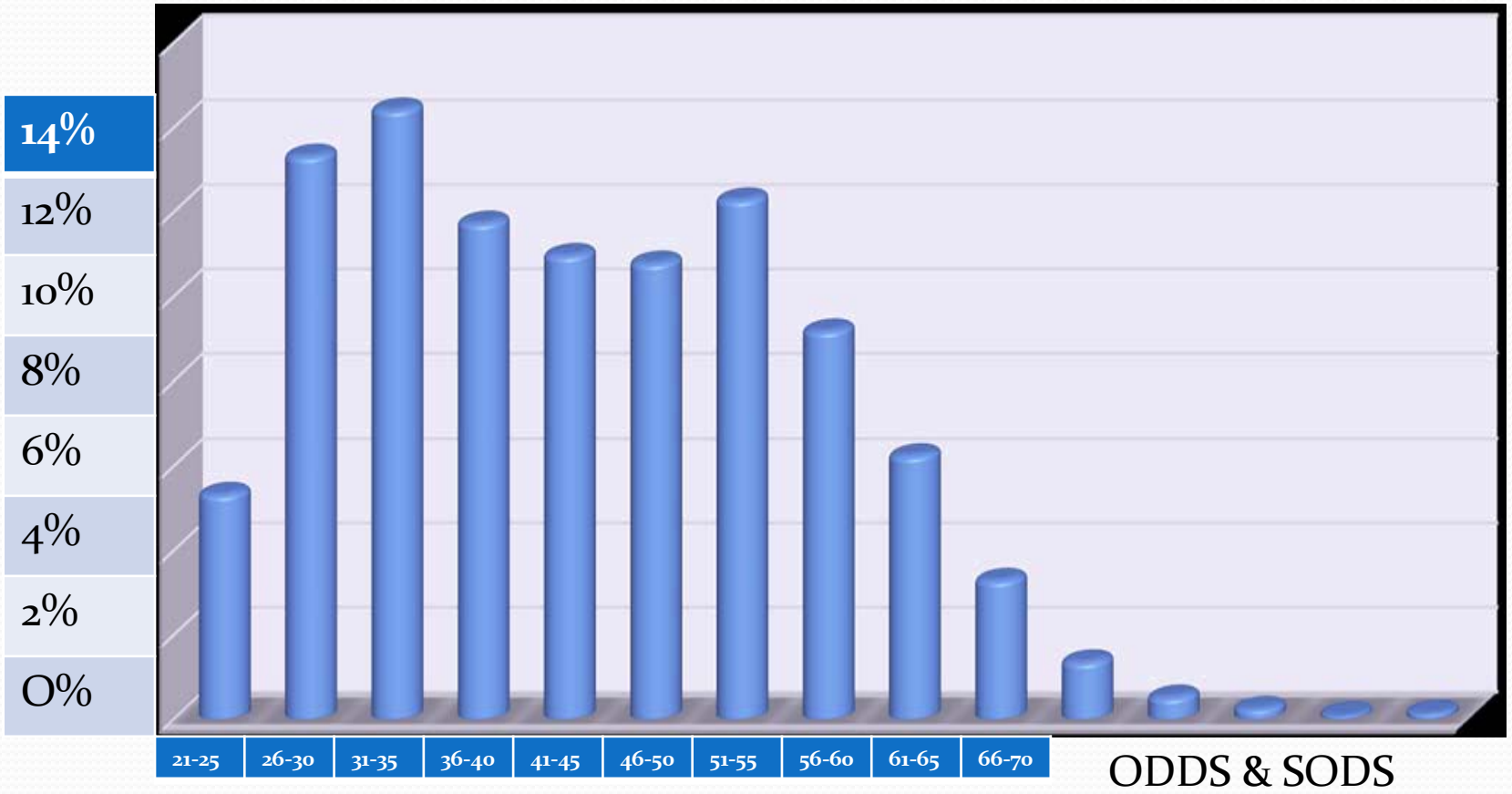
Redating services denied



Age of Offenders



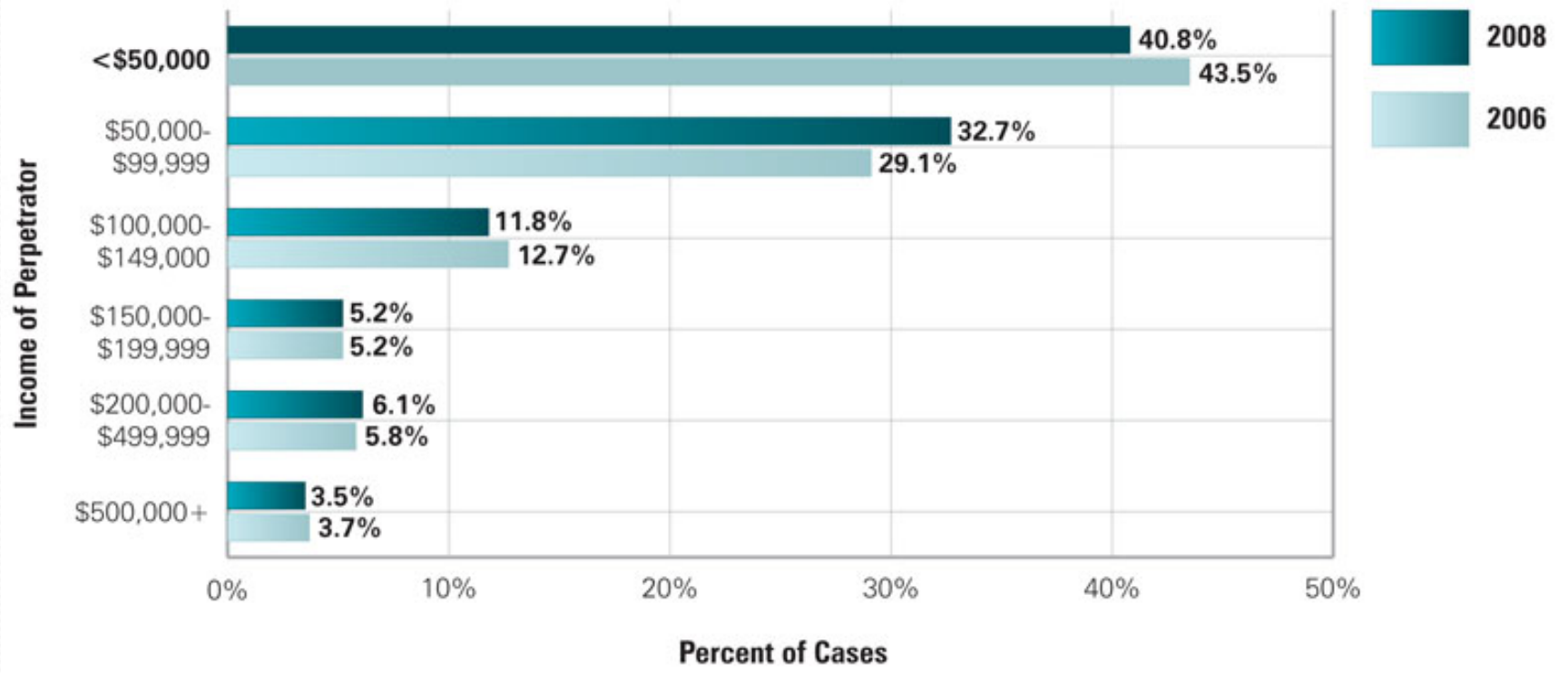
Dentists in Australia 2012.



ODDS & SODS

% By Age Group

Effect of Income



Overservicing

Provide a service or perform or direct certain procedures to be performed on a patient that are neither clinically indicated nor scientific, or have been shown to be ineffective, harmful or inappropriate through evidence-based review.

Overservicing

"Dentists stand to gain from their own advice"

Motives - economic survival and financial gain, in the face of spiralling costs and underlying health CPI.

Factors;

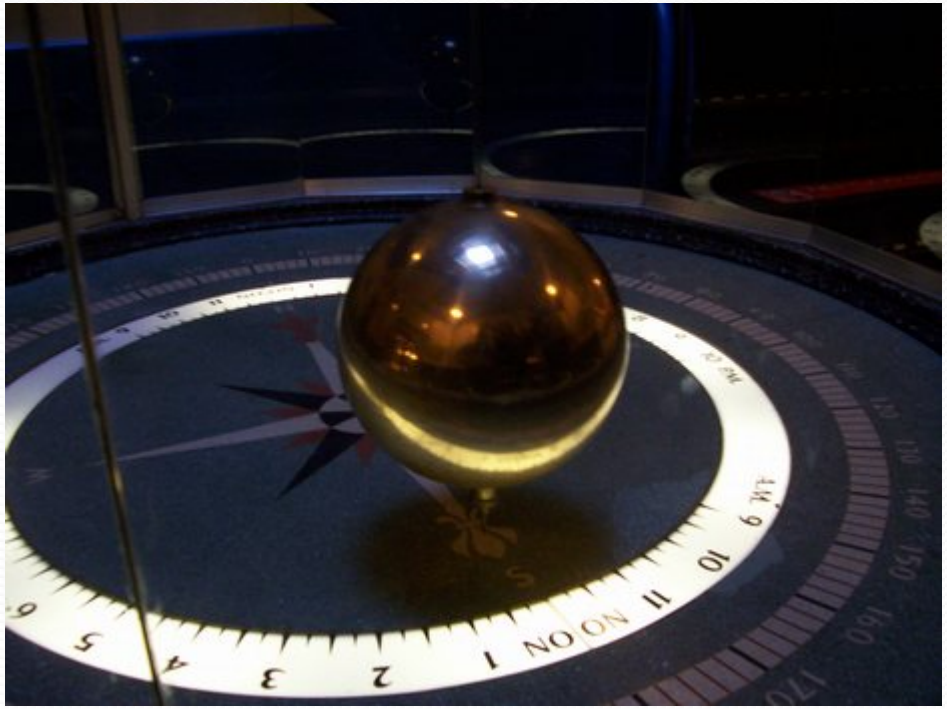
- Outdated treatment alternatives
- Patient demands
- Unclear diagnostic and treatment decisions
- Cultural, moral and ethical positions.

Hartshorne J, Hasegawa TK Jr.

Overservicing in dental practice--ethical perspectives

What Constitutes Overservicing?

Cosmetic Dentistry
Implants
Invisalign
Rotary Endodontics
Grafting (soft/hard)
Prevention
Microabrasion



Rationalisation

Preferred (Participating) Providers

Non-preferred providers

Definition

Rationalisation is motivated by wanting to defend an *a priori* position.

- Not an open ended enquiry
- Selective reference to evidence
- Failure to interrogate starting assumptions and historical context

PP rationalisation

Inadequacy of agreed fee.

Inadequacy of agreed fee increases.

Cost conscious patient pressure, (Gap squeeze).

Cost escalations in service delivery.

Rising living costs.

Fund premiums outstripping CPI.

Non-PP rationalisation

Inadequate rebate/discrimination.

Loss of choice of provider.

Redirection by Fund.

Market manipulation – financial pressures.

Stagnant rebates.

Rising practice costs.

Rising living costs.

Fund premiums above CPI.

Services and benefits paid under private health insurance

Years	Dental services performed (million)	(% change)	Benefits paid* ($ million)	Average benefit per service* ($)
2001-02	21.0	N/C	1,381.5	65.73
2006-07	24.4	16.2	1,483.5	60.89
2007-08	26.0	6.6	1,550.0	59.72
2008-09	27.1	4.2	1,603.8	59.13
2009-10	28.4	4.8	1,726.6	60.88
2010-11	29.4	3.5	1,712.6	58.24

*Values are expressed in 2011-12 prices, using the GDP deflator

SOURCE: PRIVATE HEALTH INSURANCE ADMINISTRATION COUNCIL

Real cost per dental service covered by private health insurance*

Years	Cost ($)	(% change)
2006-07	124.15	0.6
2007-08	123.35	-0.6
2008-09	122.15	-1.0
2009-10	125.23	2.5
2010-11	119.27	-4.8

*Values are expressed in 2011-12 prices, using the GDP deflator

SOURCE: IBISWORLD

Corporatisation in Dentistry

PRACTICE PURCHASE

- Payment in Shares
- Controlled profitability
- Goodwill payments

PRACTICE MANAGEMENT

- Sample accounts/surfing
- Padding
- Excessive prescription of services

Association and Indemnity.

Practice Ownership

Specific legislation

Ownership provisions legislated.

Vicarious responsibility.

Practice owners are dentists.

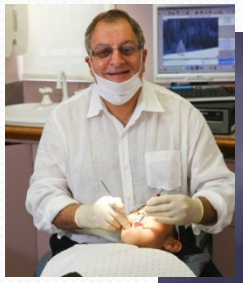
Omnibus legislation.

No provisions.

Responsibility to shareholders.

Practice owners may be any person.

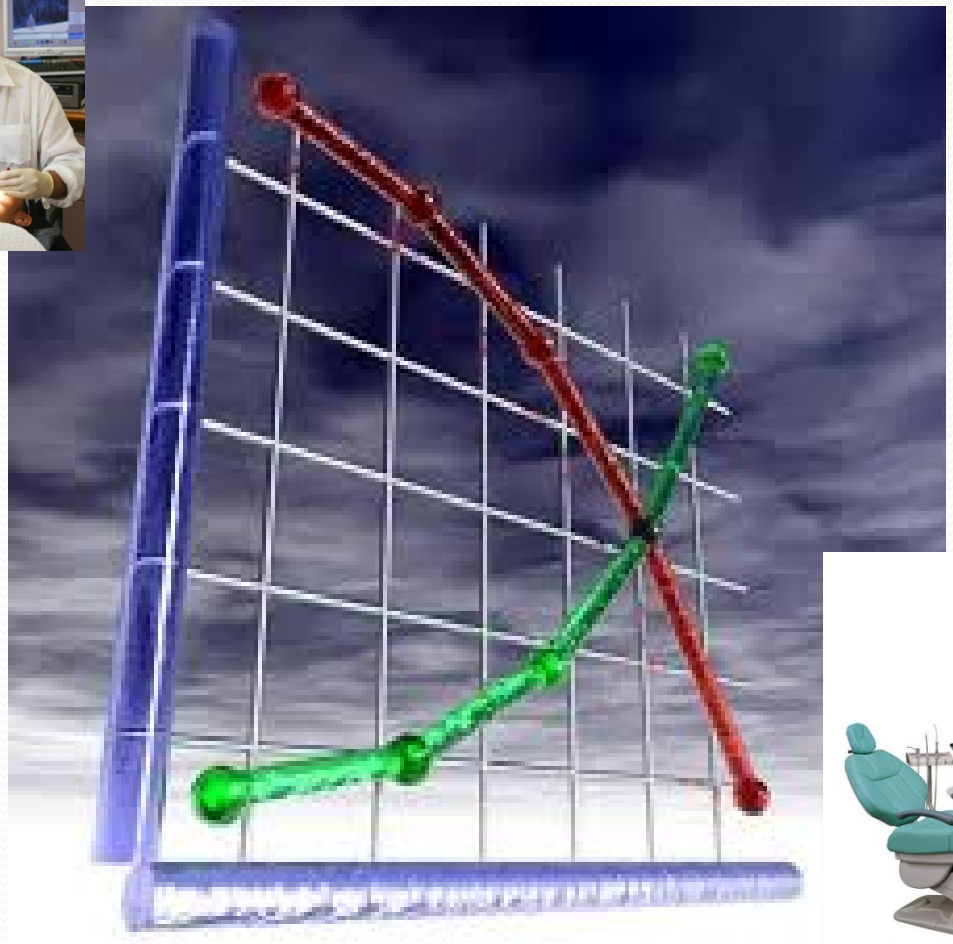
Oversupply of Dentists



1970 Grad
1:5240

2010 Grad
1:1960

Set-up
$50,000



1970 Chair
$6800

2010 Chair
$43000

Set-up
$450000

What have been the changes?

- Since 2005 there has been 4 more dental schools established – now 9 in total.

  Griffiths

  James Cook

  Charles Sturt

  La Trobe

- Intakes have been increased at all Schools.
- By 2013 graduating numbers will double to 580.

OTHER WORKFORCE SOURCES

Dentists

- Overseas Trained Dentists.

  35 in 1990

  50-60 in the early 2000's

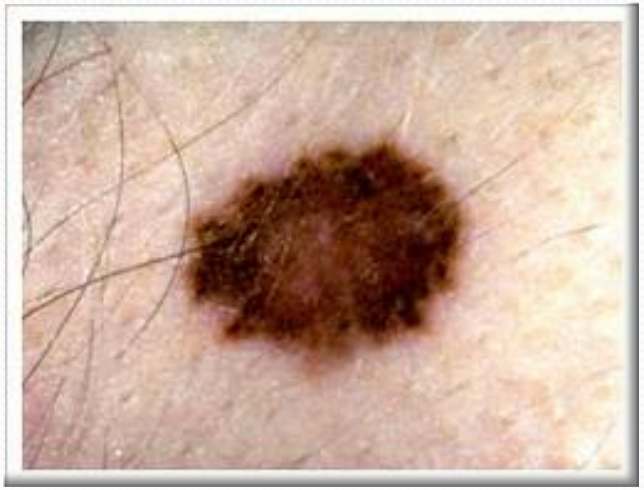
  299 in 2006

  358 in 2009

NB: This is the equivalent of 6-8 dental schools.

Skin/Mole Clinics

- A doctor at a Sydney medical clinic who billed Medicare $830,208 for providing 28,102 services for 10,660 patients in one year, making him Australia's busiest general practitioner;



CORNERSTONE PRINCIPLES

Patient autonomy

No harm

Do good

Just conduct

Truth

Do good-beneficence

The welfare of the patient is paramount in the provision of dental services. The dentist is obligated to consider the well-being of the patient in the presentation of treatment options and the ultimate provision of agreed services.

What constitutes an Ethical Dilemma

"The woodpecker has to go"

ETHICS COMPRISES

Why Don't People Do What Others Think They Ought?

An individual may be blind to the moral issues

Lack development of moral sensitivity especially in ambiguous situations

An individual may fail to give priority to moral concerns.

Suicide and professional stress

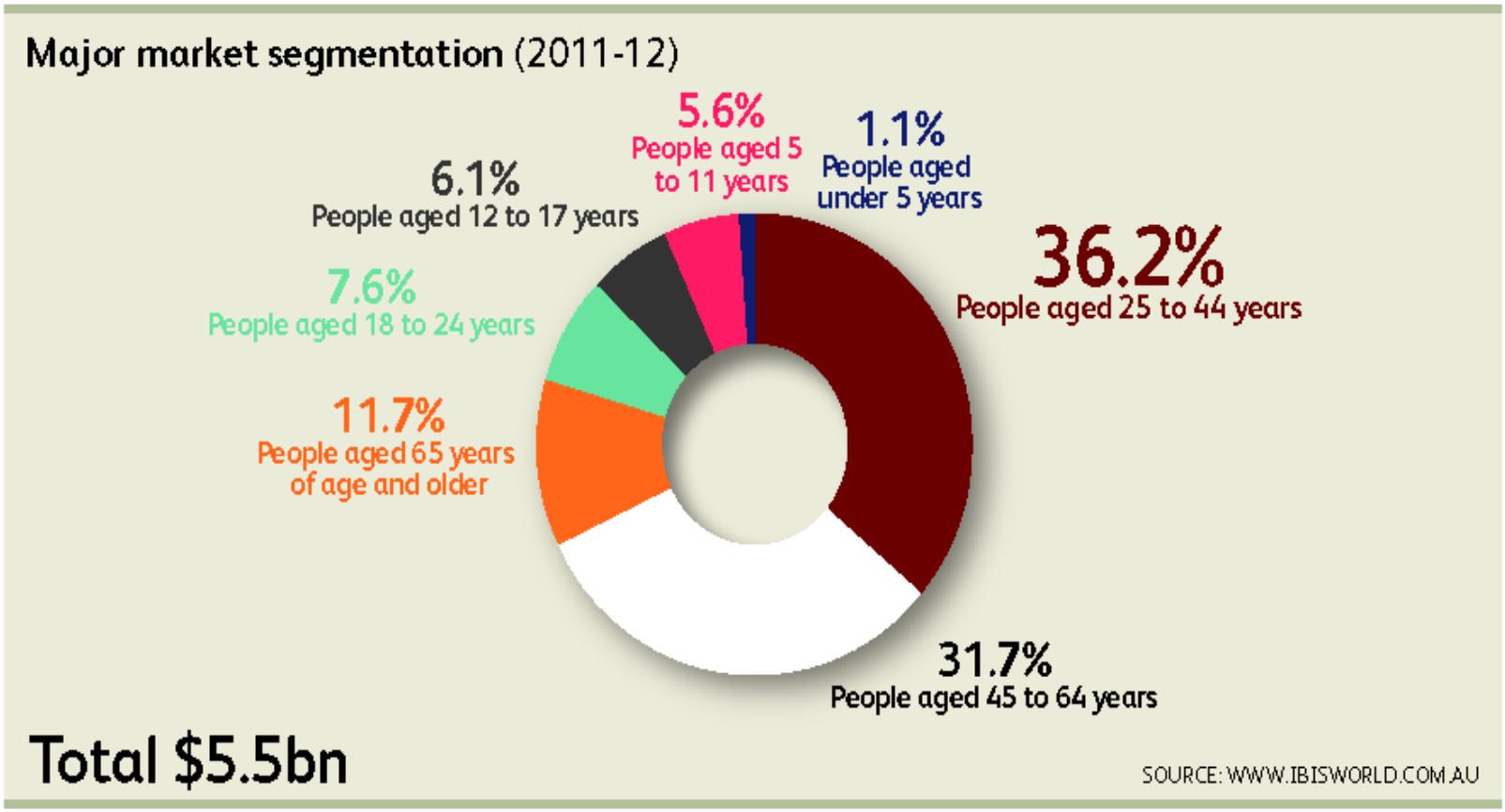
- Goodwin et al (1981)
  - Patients' missed appointments
  - Fears
  - Dissatisfaction with treatment
  - Payment problems
  - Insurance companies
  - Discrepancies between ideals and day-to-day practice
  - Conversational garbage from patients???

Industry at a Glance

Dental Services in 2011-12

Key Statistics Snapshot

Revenue	Annual Growth 07-12	Annual Growth 12-17
$5.5bn	3.8%	3.8%
Profit	Wages	Businesses
$1.5bn	$1.8bn	6,588


Major market segmentation (2011-12)
5.6%
People aged 5 to 11 years
1.1%
People aged under 5 years
6.1%
People aged 12 to 17 years
36.2%
People aged 25 to 44 years
7.6%
People aged 18 to 24 years
11.7%
People aged 65 years of age and older
31.7%
People aged 45 to 64 years
Total $5.5bn
SOURCE: WWW.IBISWORLD.COM.AU

Mix of dental services provided at each visit

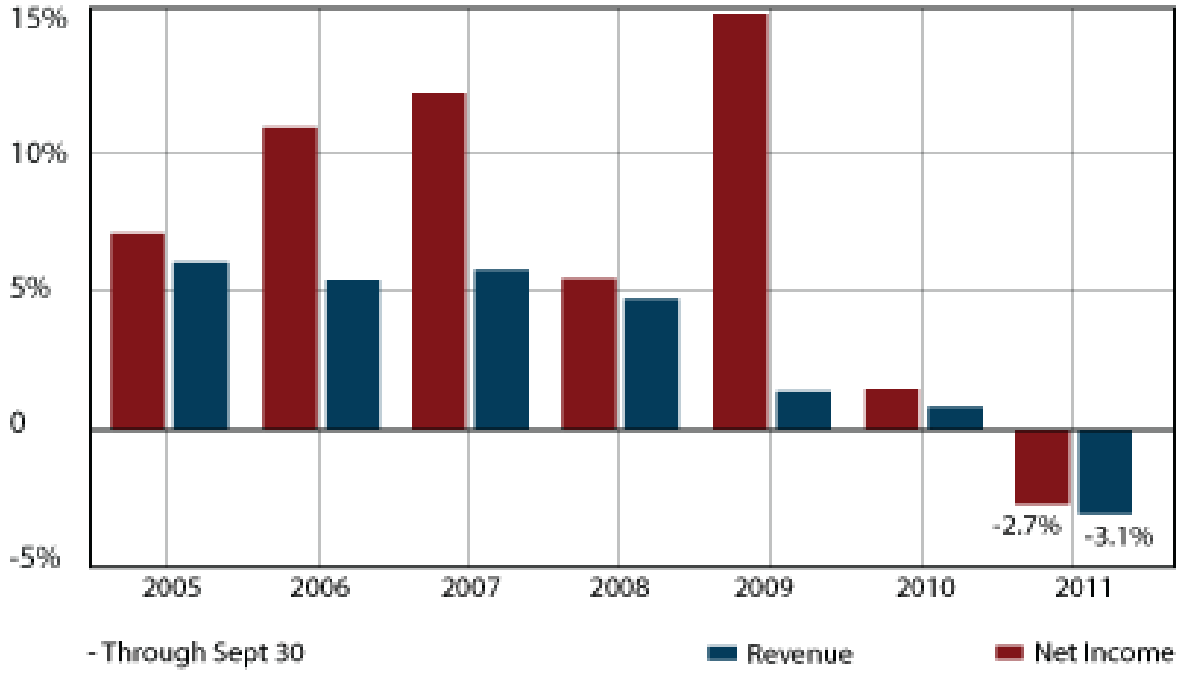
Type of service	1993-94 (units)	2003-04 (units)	2020* (units)
Diagnostic	0.60	0.80	1.01
Preventative	0.34	0.44	0.57
Periodontic	0.02	0.02	0.02
Oral Surgery	0.09	0.07	0.06
Endodontic	0.11	0.12	0.27
Restorative	0.63	0.63	0.66
Crown and bridge	0.07	0.07	0.11
Prosthodontic	0.10	0.08	0.08
Orthodontic	0.02	0.01	0.01
General/Misc	0.05	0.04	0.04

*Projected

SOURCE: AUSTRALIAN INSTITUTE OF HEALTH AND WELFARE

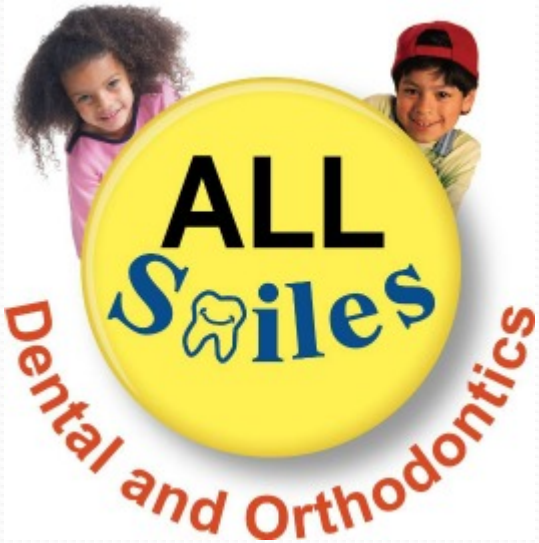
Reality Bites

Estimated percentage change in annual revenue and profit for dentists in the U.S.



Source: Sageworks, Los Angeles Times

WWW.AGORAFINANCIAL.COM



As of July 2012 the company was one of the largest providers of dental services in the Dallas-Fort Worth area and has about 60,000 Medicaid patients. As of September 2012 the company has about 20 clinics in the State of Texas. On May 2, 2012, All Smiles Dental Centre, Inc. filed for Chapter 11 bankruptcy protection.

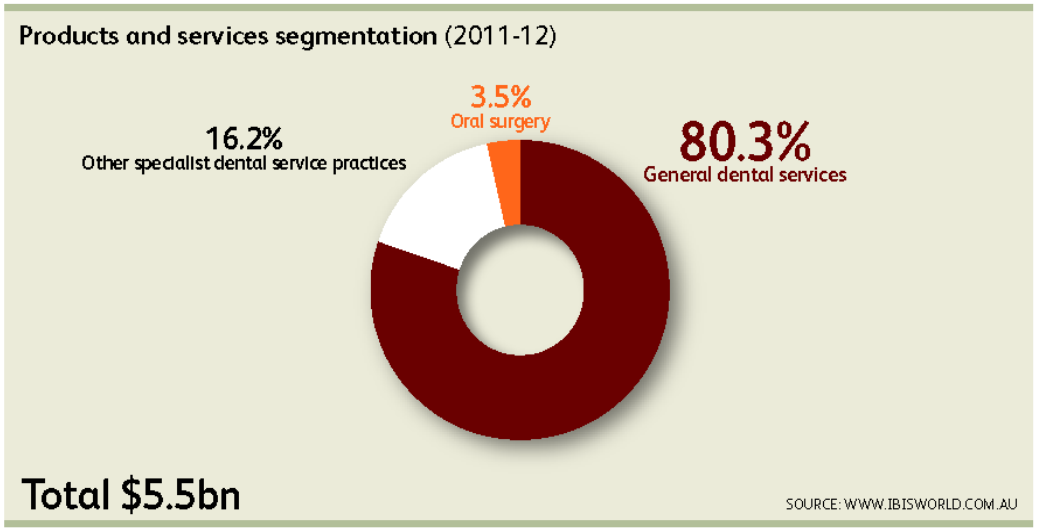
"excessive" and "inappropriate" orthodontic care

Dental Cases Panel Statistics

- Breakdown – Complaints / Dentists

Year	Preferred Provider	ADC registration	Specialist
2009	39.86%	8.39%	9.79%
2010	52.31%	7.69%	7.69%
2011	64.44%	9.63%	8.89%
2012 (to 23/11/2011)	62.90%	8.06%	8.06%

Breakdown of Services



Market Share

There are no major players in this industry

p. 23

Key External Drivers

Real household disposable income

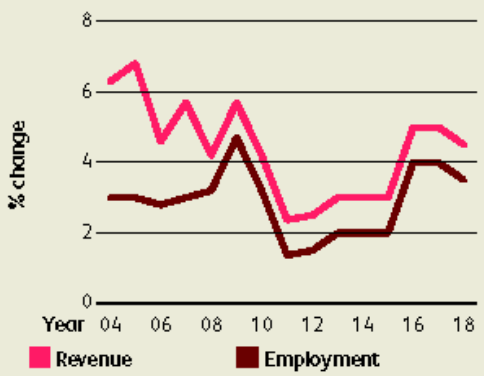
Demand from health insurance

State funding for dental services

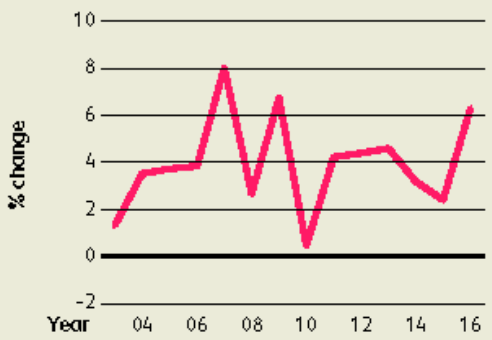
Population aged 50 or older

p. 4

Revenue vs. employment growth

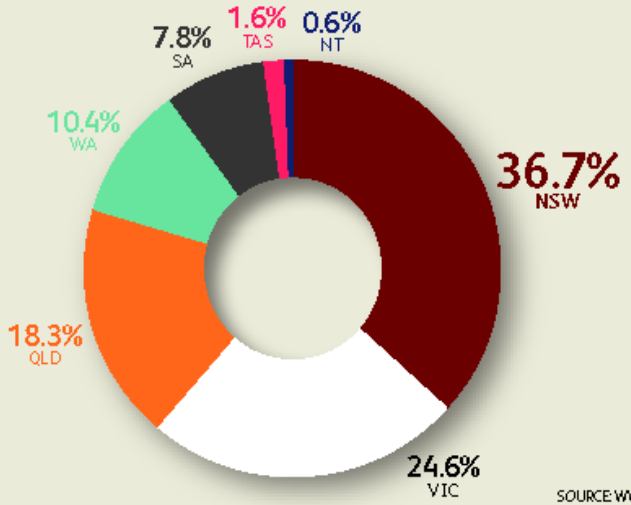


Real household disposable income



SOURCE: WWW.IBISWORLD.COM.AU

Business locations



SOURCE: WWW.IBISWORLD.COM.AU

Finance Minister Peter Walsh

Confessions of a failed Finance Minister

Random House 1996

“dental treatment has the potential to be a bottomless fiscal pit which no Commonwealth government should go near”.

EMPLOYEE ISSUES

1. Falsification-patient benefit
2. Falsification-shared benefit
3. Falsification-employee
4. Family write-offs
5. Gratuitous trades.

OFFICE of INSPECTOR GENERAL

Establish a code of conduct through written policies and procedures.

Designate a compliance officer or contact to monitor the program.

Provide comprehensive training and education on practice ethics and policies and procedures.

Develop communication forums, such as staff meetings, bulletin boards, and newsletters, to keep employees informed about compliance activities.

Monitor and conduct internal audits that focus on high-risk billing and coding issues.

Enforce disciplinary actions. Respond appropriately to potential violations.

Employee dishonesty.

- **Employees who appear to live beyond their means.**
- **Employees who won't go on vacation**
- **Employees who aren't team players**
- **More patient complaints about billing mistakes**
- **Office managers who insist on opening every piece of mail**

Psychiatric/Psychologic conditions

IMPULSE CONTROL DISORDERS

"As humans, the ability to control our impulses, or urges, helps distinguish us from other species"

- People with an impulse control disorder can't resist the urge to do something harmful to themselves or others.
- People with these disorders may or may not plan the acts, but the acts generally fulfil their immediate, conscious wishes.

IMPULSE CONTROL DISORDERS

- Little capacity for critical self-evaluation.
- May suffer other anxiety disorders.
- May involve limbic system disorders (memory/emotion).
- Often respond to SRI's.

Dentist response to audit.

Flight or fight behaviours

- Denial
  - Negating the concepts of error
  - Repressing the memory
  - Re-defining as non-mistake
- Discounting
  - Blaming the external circumstances, The disease/condition or the patient
- Distancing
  - Avoiding reminders/discussion/the patient

Quality Assurance in Dentistry

This is the heart of the Good Practice Scheme – ten simple sentences that sum up everything the Scheme stands for:

- We aim to provide dental care of consistently good quality for all patients
- We only provide care that meets your needs and wishes
- We aim to make your treatment as comfortable and convenient as possible
- We look after your general health and safety whilst receiving dental care
- We follow current guidelines on infection control
- We check for mouth cancer and tell you what we find
- We take part in continuing professional development to keep our skills and knowledge up-to-date
- We train all staff in practice wide work systems and review training plans once a year
- We welcome feedback and deal promptly with any complaints
- Every member of the practice is aware of the need to work safely under Dental Council guidelines

Thanks for your attention