



Fraud Policy

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www.cupe-ewbt.ca

CUPE Education Workers' Benefits Trust

La Fiducie d'avantages sociaux des travailleuses et des travailleurs de l'éducation du SCFP

Purpose

The CUPE Education Workers' Benefits Trust ("EWBT") is an employee life and health trust providing life, health and dental benefits to eligible CUPE members. The Trustees of the CUPE EWBT are committed to protecting the assets of the Trust and to monitoring, preventing and taking appropriate steps required to recover fraudulent payments. Fraudulent claims may deplete the assets of the CUPE EWBT, leaving it with fewer resources to provide health benefits that its members require.

2. Scope

This Policy is specifically intended to address the risk of benefits fraud involving any CUPE EWBT Plan members.

3. Definition of Fraud

Fraud is broadly defined as any intentional dishonest act or omission committed to secure unfair or unlawful gain or designed to deceive or cause loss to the CUPE EWBT or result in a victim suffering or being exposed to a loss.

Fraud includes, but is not limited to:

- a) Submitting false claims and/or misrepresentation of facts in support of a claim;
- b) Any abuse, misuse, of the plan;
- c) Altering invoices or inflating invoice amounts;
- d) Inappropriate health provider billing practices including billing for an ineligible expense disguised as an eligible expense;
- e) Returning an item after reimbursement;
- f) False reporting of a person as a spouse or a dependent;
- g) Kick back arrangements, bribes or rebates;
- h) Identity theft of member and/or provider information; and
- i) Altering or falsifying any paper or electronic documents, including the inappropriate distribution of paper or electronic documents.

4. Detection and Mitigation

Beneficiary/Health Service Professional Fraud

The Canada Life Assurance Company (“Canada Life”) is the administrative services only (“ASO”) provider for the CUPE EWBT Plan in respect of health and dental benefits, and the insurer in respect of life insurance benefits. As the ASO provider and the insurer, Canada Life has primary responsibility for implementing a Fraud Risk Management Framework and for detecting and mitigating fraud.

Canada Life is required to and has established a process for preventing and detecting fraud and abuse, including:

- a) Careful assessment of each benefit claim before issuance of a reimbursement;
- b) Monitoring claims and service providers;
- c) Statistical review of claims vs. expected claims levels;
- d) Statistical review of claims by provider;
- e) Member education;
- f) Making available to members a list of delisted providers;
- g) Random audits;
- h) Drug/benefit utilization review;
- i) On-site pharmacy audits;
- j) Geo-spatial analysis;
- k) Recovery of overpayments;
- l) Collections and legal proceedings;
- m) Investigation service.

Employee/Contractor/Board Member/Stakeholder Fraud

- a) Suspicion of fraud, abuse, or improper conduct shall be reported to the Managing Director and/or Chair of the Board who shall coordinate an investigation.
- b) If the investigation substantiates that fraud, abuse, or improper conduct has occurred, the Managing Director and/or Chair of the Board will issue the appropriate reports to the Board. Legal counsel and/or audit services will be used where deemed necessary.

5. Investigation

Beneficiary/Health Care Professional

All reported or suspected cases of fraud shall be investigated by Canada Life and any investigative activity required to substantiate fraud will be conducted without regard to the suspected wrongdoer's position, title, length of service, or relationship to the CUPE EWBT.

Where an investigation determines that a fraudulent act has occurred, remedial steps taken against the plan member in question will include:

- a) Removal of electronic claiming;
- b) Flag on future claims;
- c) Recovery of funds for invalid claims through involuntary repayment, clawback on future claims, collections, and/or civil action;
- d) Consideration of referral to law enforcement where appropriate.
- e) Where an investigation determines that a fraudulent act has occurred, remedial steps taken against the service provider in question may include:
 - (i) Delist providers and clinics with fraudulent or inappropriate business practices;
 - (ii) Formal complaint to providers' regulatory body;
 - (iii) Referral to law enforcement;
 - (iv) Recovery of overpayments.

Employee/Contractor/Board Member/Stakeholder Fraud

All reported or suspected cases of fraud shall be investigated by the Board/Managing Director along with any legal or audit services required.

When an investigation determines that a fraudulent act has occurred, remedial steps against the employee, contractor, board member or stakeholder will include:

- a) Disciplinary action up to and including termination of ELHT employee;
- b) Filing of statement of facts with law enforcement;
- c) Civil litigation;
- d) Recommending termination of the Trustee to the appointing party;
- e) Termination of Contract with the ELHT.

Should it not be possible to report suspected cases of fraud to the Managing Director or Chair, reports will be made to the CUPE EWBT Legal Counsel.

6. Reporting

The Trustees shall require Canada Life to provide the with the following reporting:

- a) On a quarterly basis:
 - (i) Drug/benefit utilization reports;
 - (ii) Report on any incidents of actual fraud.
- b) On an annual basis:
 - (i) Copy of the audit report regarding Canada Life's compliance with its anti-fraud procedures.

In circumstances where identity theft is discovered, Canada Life shall also disclose identity theft to the CUPE EWBT Managing Director and the affected members as soon as feasible.

7. Confidentiality

The Trustees shall treat all information received from Canada Life during the course of an investigation of suspected fraud or wrongdoing as strictly confidential. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know, as determined by the Trustees or by law. To the extent possible, the identity of individuals involved in an investigation including the identity of an individual alleging fraud will be protected.