

Do whistleblowing mechanisms exist in medical insurance?



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Medical schemes find it increasingly challenging to keep monthly contributions of members affordable and members find it increasingly challenging not to exhaust their annual fund allocation before year-end. In Namibia, there are approximately 1000 service providers in the form of doctors, dentists, pharmacists, physiotherapists, etc. Annual pay-outs can be over a billion Namibian dollars to service providers and members. It has been estimated in the South African medical insurance industry, that up to 15% of all claims submitted, is fraudulent. If it is realistic to assume that Namibia is similar, then it could be that up to 15% of our monthly contributions we pay due to fraud. For medical schemes to remain profitable and competitive they have no choice but to compensate for fraudulent claims by including this add on cost in members' monthly premiums. If we can reduce our monthly premiums with 15%, we can invest that 15% in higher order priorities, especially given the bleak economic outlook for 2016.

Medical schemes rely mainly on trend analysis, hotlines, forensic investiga-

tors, auditors and whistleblowers to uncover fraud. The question is - What else can be done to reduce fraud in the medical insurance industry? Medical schemes can consider to compensate whistleblowers a percentage of the fraudulent money recovered due to their reporting. That will encourage whistleblowers to take the risk of reporting. Whistleblowers should be rewarded for their valuable time taken to do the reporting, because fraud is not just a moral issue, it is a financial issue also, an issue of time and money. The medical insurance business is about live and death. Unaffordable monthly contributions prevent people from obtaining medical coverage. Are you going to report service providers and members that you suspect of submitting fraudulent claims? Alternatively, are you comfortable to maintain and strengthen the current level of fraud in medical insurance? If you have evidence of fraud and you do not report it, you are corrupt yourself.

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