# Reports: Health IT Can Address Healthcare Fraud

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## FORE Reports Announced at Press Conference

National Health Information Technology Coordinator David Brailer, MD, PhD, thanked AHIMA for "a landmark effort" during a press conference highlighting the release of two reports detailing how health information technology can address the problem of healthcare fraud.

The reports were released Monday, October 17, by the Department of Health and Human Services and prepared by the Foundation of Research and Education under contract to the Office of the National Coordinator and HHS. They address the expected fraud and nonfraud-related costs and benefits associated with developing and implementing a nationwide health information network (NHIN) with interoperable EHRs.

From the beginning of his tenure as national HIT coordinator, Brailer said, he has been interested in the industry perception that health IT would be a mechanism that would increase the incidence of healthcare fraud and identity theft. The anti-fraud research, he said, "was our attempt to understand that issue."

AHIMA CEO Linda Kloss, RHIA, CAE, said that the recommendations in the reports are intended to guide policy makers and serve as a road map to developing a nationwide health information infrastructure with interoperable EHRs. "We see [the project] as a beginning, not the end, of our examination of these issues," she said.

Researchers Bonnie Cassidy, MPA, RHIA, FAHIMA, FHIMSS; Jennifer Hornung Garvin, PhD, CCS, CPHQ, FAHIMA, RHIA, CTR; Susan Hanson, MBA, RHIA, FAHIMA; and Valerie J.M. Watzlaf, PhD, RHIA, FAHIMA, took questions at the news conference as well.

## Addressing Fraud's High Costs

As the country makes progress toward an NHIN, fraud prevention has ascended as a priority. The reports cite National Healthcare Anti-Fraud Association estimates that in 2003 at least 3 percent of the nation's healthcare expenditures, or $51 billion, was lost to outright fraud. Other estimates by government and law enforcement agencies place the loss as high as 10 percent of annual expenditures, or $170 billion each year.

One of the two reports, "[Report on the Use of Health Information Technology to Enhance and Expand Health Care Anti-Fraud Activities](#)," concludes that substantial savings in fraud-related expenditures would be enabled by an NHIN, but that it is important to move quickly through the network's early transition stages to achieve widespread adoption and maximize net savings.

The other report, "[Automated Coding Software: Development and Use to Enhance Anti-Fraud Activities](#)," describes the ways automated coding software can be used to reduce healthcare fraud and offers recommendations for both software developers and users to maximize anti-fraud practices.

Both reports are available on the AHIMA Web site.

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