

Fraud red flags

A red flag is a warning or a sense that something isn't right with a claim and should lead one to take a closer look. The lists below will help employers know what to look for when identifying possible fraudulent behaviors. Identification of any one of the following red flags does not mean that fraud exists. However, in order to submit a Fraud Allegation Form to BWC, you need only have a suspicion that fraud may have been committed. Special agents assigned to the BWC special investigations department will carefully collect and analyze the facts to determine whether or not fraud was committed.

If you suspect workers' compensation fraud, submit a [Fraud Allegation Form](#) or call 1-800-OHIOBWC, and follow the options.

Spotting injured worker claim fraud

Red flag indicators that may signal fraudulent activity include:

- Number of days worked and amount of salary inconsistent with occupation;
- Injured worker disputes average weekly wage due to additional income (i.e., per diem and/or 1099 income);
- Cross-outs, white-outs and erasures on documents;
- Injured worker files for benefits in a state other than principle location of the alleged industrial injury or occupational disease;
- Injured worker-listed occupation is inconsistent with employer's stated business;
- Injured worker address is different than principle location of employer other than border states;
- Injured worker cannot be reached because he or she is never home or is reportedly sleeping and cannot be disturbed;
- Injured worker is seen with calluses on hands, grease under fingernails;
- Injured worker moves out of state or country shortly after filing claim;
- Accident/incident occurs immediately prior to strike, layoff, plant closing, job termination or job completion;
- Injured worker is in line for early retirement;
- Injured worker refuses (or delays multiple times) diagnostic procedures to confirm injury;
- Conflicting descriptions of the accident/incident between employer's report and initial medical evaluation;
- Injury is not consistent with nature of business;
- Date, time and place of accident is unknown;
- Injured worker cannot recall specific details about the injury
- Report of injury not timely and immediate;
- No witnesses to accident;
- Tips from coworkers.

Spotting health-care provider fraud

Red flag indicators that may signal health-care provider fraudulent activity include:

- Injured worker does not recall having received the billed service;
- Provider's medical reports read almost identically even though they are for different patients with different conditions;
- Much higher health-care costs than expected for the allowed injury type;
- Frequency of treatments or duration of treatment period is greater than expected for allowed injury type, especially for older (non-catastrophic) claims;
- Frequent billing in older (non-catastrophic injury) claims;
- Larger volume of prescription drugs billed than expected for the allowed injury type;
- Billing for treatment on consecutive dates of service for minor allowed conditions;
- No change in treatment regimen or no measurable improvement after an extended period;
- Same doctor(s) and attorney(s) are repeatedly associated with the same questionable claims;
- Unexplained sudden increase in a provider's billing and payment levels;

- Provider services are billed (for non-emergency care) for dates of service on weekends or holidays or on dates when the patient was hospitalized;
- Provider bills for dates of service within time periods for which the provider had previously billed and received payment;
- Provider bills for dates of service after the effective date for change of physician of record;
- Managed care organization knowingly participates in schemes intended to cause BWC to pay monies that it otherwise would not pay;
- Medical documentation does not support service billed and/or is inconsistent with the services billed; Frequent delays in the submission of requested records;
- Great distances between the provider and injured worker;
- Submission of bills with non-industrial diagnosis codes. Bills resubmitted with codes changed to an allowed diagnosis;
- Billed procedures are inconsistent with allowed conditions or industrial conditions;
- Billed procedures are identified by American Medical Association as being for "one or more areas" billed with multiple units of service;
- Billed procedures are for evaluation and management codes only;
- Provider is actively billing multiple claims for an injured worker;
- Day or date of service is inconsistent with the type of provider;
- Provider billed for services that were not likely to have been performed.

Spotting employer fraud

Red flag indicators that may signal employer fraudulent activity include:

- Business displays or presents a Certificate of Coverage that contains inaccurate data, such as an implausible period of coverage;
- Cross-outs, white-outs and/or erasures on documents, such as the Application for Ohio Workers' Compensation Coverage (U-3) or Payroll Report (DP-21);
- Business name is not consistent with type of work being performed;
- Number of employees, classifications and payroll are inconsistent;
- Certificates of Coverage issued exceed anticipated exposure;
- New business with significant or multiple state exposures;
- Significant deposit premium made to avoid interim audits;
- Business discourages employees from filing valid workers' compensation claims;
- Employees report that the business may be shifting the costs from an employee's non-work-related health problem to a workers' compensation claim;
- Business requires newly-hired employees to complete 1099 forms, asserting themselves to be independent contractors;
- Business reports significant payroll decreases, even though revenues remain stable or increase (suggesting under-reporting of payroll);
- Principal business location is a post office box, suite number, or room number.