

Message from the Chief Executive

I am pleased to endorse the 2011/12 Annual Report for the BSO's Counter Fraud and Probity Services (CFPS). Given the constrained financial environment in which all HSC organisations operate, it is now, more than ever, essential that BSO continues to meet the needs of its customers in the most efficient and cost-effective manner.

During 2011/12, CFPS has delivered a range of specialist services to HSC organisations, ranging from counter fraud investigations, fraud policy, patient exemption verification, fraud awareness programmes to an extensive programme of probity assurance work and the payment of reimbursements under the Healthy Start Day Care Foods Scheme.

BSO continues to very much welcome the on-going co-operative working with CFPS clients, supporting the provision of high quality and cost effective support services to HSC.

David Bingham

Chief Executive Business Services Organisation

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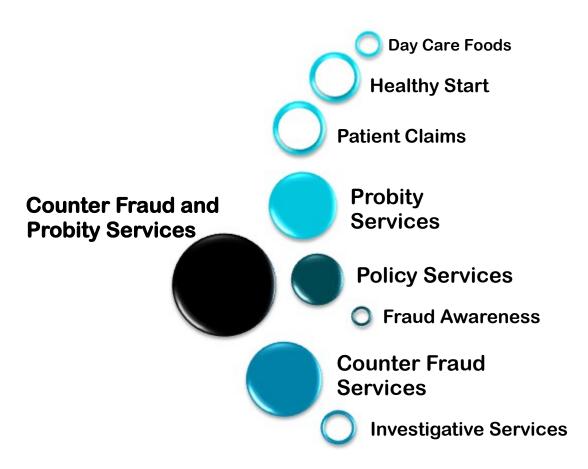
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Key Performance Indicators

Fraud Reports	Probity Checks	
138	370	
New Fraud Investigations	Probity Recoveries	
65	£149,100	

Foreward from the Director of Operations

During 2011/12, Counter Fraud and Probity Services (CFPS) continued to deliver a range of specialised services to HSC client organisations.

Services are provided in line with service level agreements and during 2011/12 a client satisfaction survey in respect of CFPS services was conducted. The survey provided positive feedback in relation to the quality and professionalism of services provided. CFPS remain committed to further developing customer focused services in response to the needs of our customers.

A major development in 2011/12 was the formal launch of the CFPS REFRAIN system. This electronic system, developed on the Infra Call handling platform, offers remote access electronic reporting of thefts and potential frauds by HSC bodies and a very detailed fraud investigation management system.

I look forward to on-going development of work streams within CFPS and recognise the highly collaborative approach adopted by HSC clients in the delivery of agreed services.

Teresa Molloy

Director of Operations Business Services Organisation



Our Role

Counter Fraud and Probity Services (CFPS) was established in April 2009 with the remit of:

- tackling fraudulent claims made by patients to exemption from statutory dental and ophthalmic charges;
- the formal investigation of cases of potential or suspected fraud across all Health and Social Care organisations;
- the delivery of a range of probity verification and assurance work in relation to Primary Care contractors:
- counter fraud and probity policy issues;
- the administration of the Healthy Start Scheme in Northern Ireland.



- the delivery of high quality, cost effective and efficient services to our clients;
- the provision of a range of assurances to HSCB in relation to payment claims submitted by Primary Care contractors;
- the reduction of fraud and corruption across the HSC to an absolute minimum;
- the building and promotion of a culture in which staff, patients, contractors and the wider public regard fraud against the Health Service as totally unacceptable; and
- the safeguarding and, where appropriate, recovery of misappropriated funds for reinvestment in front line services.



Our Approach

The CFPS approach to tackling fraud and error is based on the use of seven separate but interconnected strands of operation:

- we promote an anti-fraud culture, where any form of fraud is seen as unacceptable by all members of the HSC family, regardless of their grade or field of employment;
- we deter fraud through effective use of policy and robust and dynamic risk management;
- we prevent fraud by recommending effective system design and by seeking to fraud proof business processes;
- we detect fraud by conducting extensive post payment verification and probity checks, using advanced data analytic techniques;
- we investigate in accordance with criminal and civil legislation and seek not only to prove when fraud has occurred but to ensure that the lessons learned are shared within the HSC family;
- we seek to ensure appropriate, effective sanctions are taken against all identified offenders, both criminal and disciplinary;
- we seek to achieve redress through effective use of both criminal and civil litigation methods.





Fraud Reporting

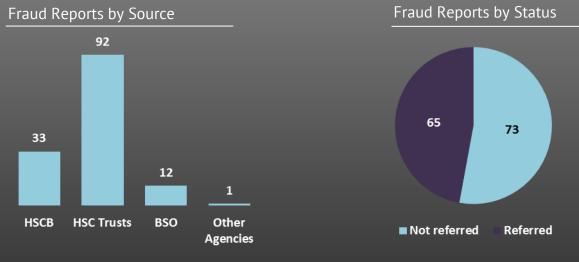
Working with key stakeholders the fraud reporting functionality, previously discharged by DHSSPS, was successfully implemented during the year - going 'live' in early October 2011.

Rebranded as REFRAIN (Reporting Fraud and Investigation system) the new portal allows Fraud Liaison Officers across all HSC organisations to report cases of actual or suspected fraud.

A total of 138 reports were received throughout 2011/12 (including those reported to DHSSPS prior to October 2011). A total of 65 cases were formally referred to CFPS for investigation by the end of the financial year. A large number of the remaining cases involved theft and were referred directly to the PSNI for appropriate action, as per Departmental instruction.

This year a new online fraud reporting tool was launched allowing members of the public and HSC staff to report their suspicions of fraud in complete confidence. Designed to compliment the freephone HSC Fraud Hotline a total of four whistleblowing allegations were reported directly to CFPS. This information was passed to the relevant HSC body who formally notified CFPS via the fraud reporting system.







Fraud Investigations

Counter Fraud Services deliver a specialist fraud investigation capability to its clients. With effect from September 2010, the remit of CFS was extended to cover the investigation of all cases of potential or suspected fraud across all Health and Social Care organisations.

All investigations are required to comply with a range of legal requirements, including those specified in the Police and Criminal Evidence (Northern Ireland) Order 1989, the Criminal Procedure and Investigations Act 1996, The Regulation of Investigatory Powers Act 2000 and the Human Rights Act 1998.

2011/12 represented the first full financial year of operation for Counter Fraud Services with its extended investigative remit to all HSC organisations.

Some 104 investigations were commenced, 65 referred by HSC organisations and 39 joint investigations with UK Borders Agency. Some 49 cases were closed during the year, 9 were referred on to the Police Service of Northern Ireland and criminal prosecutions secured in two cases.

The type of cases investigated during the year varied from time sheet fraud (including forged signatures) to pension and bursary cases, those arising as a result of the National Fraud Initiative to cases involving persons living in the Republic of Ireland, but falsely claiming to be resident in Northern Ireland to avail of free health care treatment.

In one case, the defendant was convicted on 9 counts of forgery and 9 counts of fraud by false representation (relating to prescriptions) and was sentenced to 200 hours community service.

In another case, involving fraud by false representation, the defendant received a 12 month conditional discharge.

As a result of joint working with UK Borders Agency, some 39 persons were identified as seeking to access free health service treatment to which they are not entitled. In these cases their registration with relevant GPs was removed and/or where treatment received was identified as chargeable, appropriate bills were raised.

A major ophthalmic services case was significantly progressed during the year and at 31st March had entered the formal legal process. It is anticipated that the case would move to trial in 2012/13.



CFS has been dealing with an increasing number of cases involving persons living in the Republic of Ireland but falsely claiming to be resident in Northern Ireland in order to access free health care.

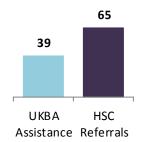
During 2011/12 a number of cases were investigated which resulted in persons being removed from GP registration lists and where applicable, the cases were referred to HSC Trusts to raise bills for health care supplied, which should have be paid for.

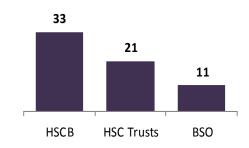
In 2012/13, it is proposed to progress the development of a Memorandum of Understanding with Rol authorities to permit the legal exchange of information to facilitate the investigation of this type of fraud, and to further develop civil recovery processes for this type of cross jurisdictional debt.

In delivering this fraud investigation service, CFPS works very closely with HSC client organisations and recognises the high level of support and co-operation given.

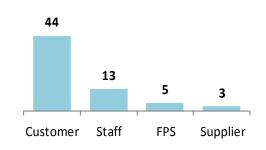
2011/12 Casework

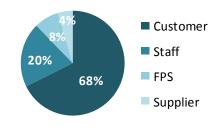
Source of HSC Referrals



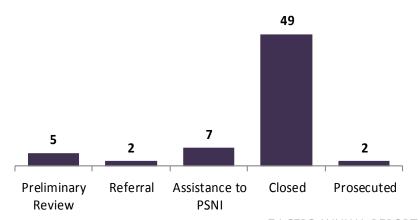


Classification of HSC Referrals





Case Status of HSC Referrals





Verification and Assurance

The Probity Services arm of CFPS delivers a range of technical verification and assurance activities to the Health and Social Care Board in relation to Family Practitioner Services (FPS) expenditure each year.

The main role of the Probity team is to gain an assurance that the claims submitted for payment by FPS contractors are proper and in accordance with the relevant Statement of Fees and Entitlements/Allowances.

To gain an assurance on the expenditure the Probity teams carry out a range of verification checks including detailed analysis of payment systems, post payment verification visits to contractors, practice record reviews and, where necessary, checking clinics.

With the establishment of the new Probity Team in the previous year (2010/2011), the 2011/2012 year offered the opportunity to all team members to put into practice the knowledge and skills acquired during 2010/11. As a result of staff changes one of the main challenges facing Probity during 2011/2012 was coping with the agreed workload throughout the year without a full complement of trained staff. Despite this, the Probity staff worked hard during the year to ensure the work was completed and to a high standard. With the reconfiguration of the 4 Probity and Counter Fraud Sub Groups and also the Primary Care Oversight Group in 2010/2011, the Head of Probity and the Probity Managers were able to report to and work in collaboration with HSCB colleagues through their regular attendance at and input to the group meetings held throughout the year.

In working with these groups, Probity has been able to further develop guidelines, processes and approaches in order to deliver a fair, consistent, transparent and robust Probity service on behalf of HSCB to its FPS contractors. During the year, further guidance in relation to Minor Surgery, supporting documentation for payment claims, and new orthodontic examination assessments were produced in conjunction with HSCB colleagues.

Operationally the Probity Team has worked extremely hard throughout the year to meet the targets agreed in the SLA with HSCB.

General Medical Services

In terms of General Medical Services, the team were tasked with carrying out verification visits to 80 GP practices. Over the 12 month period the team visited 79 of the 80 GP practices with the final visit of the year being cancelled due to unavoidable unavailability of the HSCB Advisor. This work involved carrying out 91 practice visits as some practices required more than one visit to complete the checking process.

During the 2011/12 year there was also a concerted effort from Probity staff and HSCB Advisers to build on the work carried out during 2010/2011 in respect of the delivery of 'Probity Awareness' presentations to GP practices. At the end of 2011/12 the Probity Awareness presentation had been delivered to approximately 72% of all practices compared to approximately 25% at the same time the previous year. It is intended that the presentation will be delivered to the remaining practices during the 2012/2013 year.

Ophthalmic Services

The agreed operational target number of Ophthalmic contractors (100 for the year) was met by the Probity Team with 103 contractors having been checked in 2011/12. Only 1 of these contractors required a follow up visit during the 2011/12 year.

Dental Services

During 2011/2012 the Probity Team were again successful in meeting the SLA target of 160 Dental contractors to be selected for a record review (the target doubled from 80 in 2010/2011). During the year 162 dental contractors were selected for the verification process with 130 of these reviews being completed and closed within the year.

Pharmaceutical Services

In 2011/2012 the Probity Team delivered a series of checks across a number of pharmacies. These checks were carried out using Patient Checking Clinics with a requirement under the 2011/12 SLA to check 24 pharmacies during the year. In total 26 pharmacies were checked, which exceeded the targeted number set.

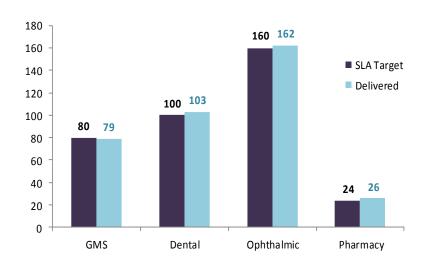
In addition to the above, Probity agreed to carry out 'Desk Top' checks on 80 pharmacies throughout the year. Again Probity delivered on this target by checking 80 pharmacies through desk top checks on areas such as Minor Ailments, Smoking Cessation and Multiple Dispensing.

Recoveries

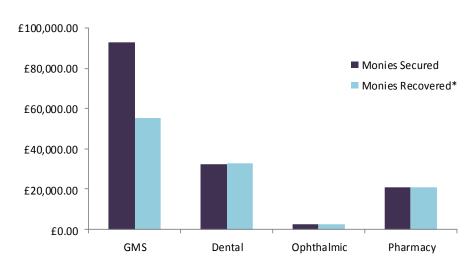
The Probity Team successfully managed to secure recoveries across all 4 areas. The following table provides a breakdown of the recoveries:

	Monies Secured	Monies Recovered * includes recoveries from previous year
GMS	£92,777.70	£55,309.09
Dental	£32,484.58	£32,848.58
Ophthalmic	£2,666.98	£2,666.98
Pharmacy	£20,807.71	£20,807.71
Total	£149,100.97	£111,632.36

Probity Performance



Probity Recoveries



* includes recoveries from previous year



Patient Charges Verification

Counter Fraud and Probity Services carry out a range of both random and targeted checks, where patients have claimed to be exempt from paying the relevant statutory Health Service charge(s). These checks cover exemptions from both dental and ophthalmic treatments. Patient exemption information is bulk checked with relevant agencies to verify entitlement. Where patients have falsely claimed exemption from charges, the sums are required to be repaid and, where applicable, Fixed Penalty and Surcharges are applied.

CFPS continues to manage the HSC Patient Charges Advise Line providing customers and Family Practitioner contractors with guidance and information on entitlement. Patients who are entitled to exemption from charges are encouraged to continue to claim correctly.

Tackling fraud and error

The Patient Exemptions team were successful in achieving the SLA target for 2011/12 with a total of 4016 initial letters issued to patients whose entitlement could not be verified. These cases involved some 6895 courses of dental and ophthalmic treatments.

A total of £30,098.39 was directly recovered by CFPS with 221 cases formally referred to the BSO's Directorate of Legal Services for civil recovery via the Small Claims process.

Calculating patient fraud and error

Each year the BSO Information Unit independently calculates the estimated level of patient exemption fraud and error in Northern Ireland. The calculations are based on the results from a statistically random sample of exemption checks carried out by CFPS. The methodology and resulting calculation are subject to rigorous and detailed scrutiny by external auditors.

The 'best estimate' for the level of patient exemption fraud and error for 2011/12 was £2.8m. The equivalent figures for dental and ophthalmic for 2010/11 were £1.6m and £0.6m respectively but if the 2010/11 figures were adjusted to reflect comparable 2011/12 activity levels, then the totals would equate to £2.0m and £0.6m respectively.





Healthy Start Scheme

CFPS administers the NI component of the national Healthy Start Scheme. The overall budget for Northern Ireland for 2011/12 was some £3.5 million. The Scheme has two principal elements:

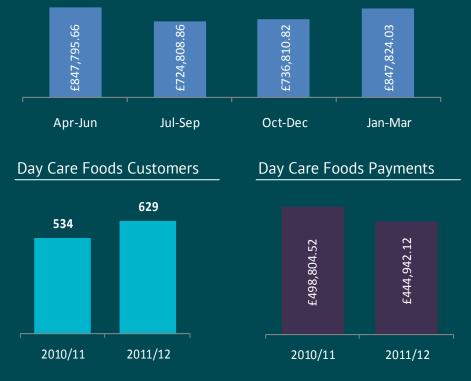
- Healthy Start Vouchers are received by relevant beneficiaries and can be exchanged in registered retail outlets for milk or instant formula, plain fresh/frozen fruit and vegetables. The BSO verify and process invoices for the Northern Ireland share of the Scheme costs.
- The *Day Care Foods Scheme* provides reimbursement of claims from registered nurseries and childminders for the supply of milk to children under the age of 5.

During the 2011/12 year a total of £3,159,239.37 was reimbursed to registered retailers for the NI component of the Healthy Start Voucher scheme.

The Day Care Foods element of the Scheme has seen an increase in its customer base with 629 clients registered in 2011/12 and some 1799 payments made totalling £444,942.12.

Healthy Start Vouchers - Quarterly Payments

HEALTHY





Developing the Framework

The Policy team is responsible for the formulation and development of policy in relation to fraud and probity issues. This involves working closely with colleagues in DHSSPS and HSC bodies, including a network of Fraud Liaison Officers.

The team is also responsible for leading on increasing fraud awareness within the HSC, a key part of the Department's strategy for tackling fraud within the Health Service.

The Policy team have had another busy and productive year with a number of new developments and initiatives taking place, including the introduction of the new fraud reporting system for HSC client organisations and increased visibility on the fraud awareness side.

The team continue to represent CFPS at a number of meetings, including the Primary Care Oversight Group and four associated sub-groups. A significant amount of progress has been made on fraud and probity issues in all FPS areas, including a revised dental circular on the probity verification process.

A Fraud Steering Group for Secondary and Community Care issues was established mid-year to oversee the extended role of CFPS in these areas. The Terms of Reference of the Group are to:

- review reported progress on performance by the CFPS Investigative Service;
- provide direction/guidance on substantive issues;
- agree and oversee the work programme of the Fraud Working Group;
- provide direction/approval on a number of fraud related policy issues.

Considerable efforts have been made throughout the year to develop a joint working initiative with colleagues in the Republic of Ireland to allow the sharing of information to help prevent inappropriate access to healthcare services in Northern Ireland.

The Four Countries meetings have continued with representatives from CFPS, NHSS Counter Fraud Services (Scotland) and NHS Protect (England and Wales) working together to share information and best practice, with particular interest this year on health tourism.

Other key developments in the 11/12 year have included:

- the revision of the Counter Fraud Charter between CFPS and Family Practitioner Services;
- the creation or revision of a range of Memoranda of Understanding between CFPS and external agencies;
- the on-going co-ordination of two litigation cases against pharmaceutical companies (Operation Lexus and Operation Monet);
- on-going involvement in the development of the Standard Operating Procedures for CFPS.

Fraud Awareness

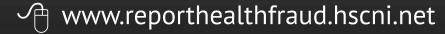
The creation of an anti-fraud culture within Health and Social Care is a key element of the DHSSPS Counter Fraud Strategy (2005) and CFPS have continued to lead and support all HSC organisations in fulfilling their commitment to reduce fraud to an absolute minimum.

A number of new initiatives were developed and implemented throughout the year including:

- the launch of a new fraud awareness e-learning programme, designed to assist all HSC organisations fulfil their obligation to provide mandatory fraud awareness training to all staff.
- an electronic postcard was issued to over 30,000 email accounts to mark UN Anti Corruption Day on Friday 09 December.
- a range of new fraud awareness promotional literature including leaflets, flyers and business cards were designed and produced in-house.
- the first in a series of regional fraud awareness Roadshows took place with a full programme of visits developed for the 12/13 year at key hospital sites.
- a new online fraud reporting tool was launched to compliment the existing Fraud Hotline.









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The Future

Following on from a year of significant progress across all areas of service, CFPS looks forward to yet more challenging times.

The Primary Care probity service will continue to evolve and develop in order to maximise the contribution it makes to the overall assurance model of the Health and Social Care Board.

The Patient Exemption verification and the Day Care Foods Reimbursement Scheme will continue to provide the appropriate services and address all challenges that arise. There are proposals to develop and implement a new electronic case management system for the Day Care Foods Scheme in the 12/13 year. This will be a priority for the new Data Analyst due to join the team early next year.

The overall vision for CFPS is as a recognised client-focussed provider of high quality specialist services to HSC organisations.

2012/13 offers the CFPS team opportunities to move further forward. The appointment of a Data Analyst will strengthen our position in terms of our ability to drive a more proactive approach in tackling fraud and error.

On the creation of an anti-fraud culture we will be rolling out a series of Fraud Awareness Roadshows across key hospital sites initially. Feedback from these events will help inform our future fraud awareness strategy.

In relation to cross border fraud the 12/13 year will be challenging as we seek to agree an MoU with colleagues in the Department of Social Protection to facilitate the formal sharing of information.

I both recognise and am grateful for the professionalism, commitment and hard work of the CFPS team during 2011/12 and am confident that this will be the key to on-going progress in 2012/13 and beyond.

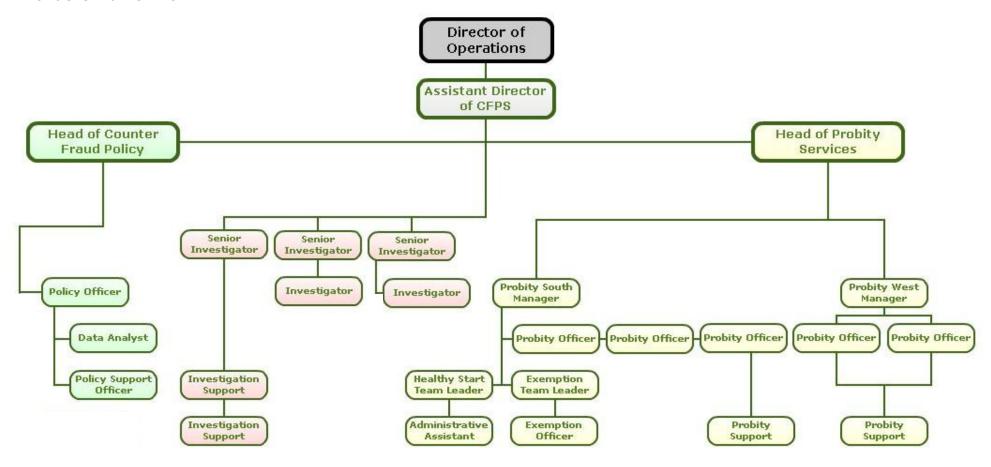
Neville Jones

Assistant Director Counter Fraud and Probity Services

Working together. Achieving more.

Appendix

CFPS ORGANISATIONAL CHART





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