Countering Fraud in the NHS

Protecting your NHS

Counter Fraud and Security Management Service
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Foreword

Fraud in the NHS is unacceptable. The Government is determined to stamp it out. This document explains our approach.

The overwhelming majority of patients and professionals would not dream of stealing from the NHS. But a small minority of patients and health service staff are doing just that. Every time they commit fraud patient care suffers. Those who are exploiting the system are not only cheating taxpayers, they are depriving patients of the care they need.

Fraud in the health service takes many forms. Often it is low value and opportunistic. Sometimes it is high value and committed by skilled criminals. But in total it costs the health service a small fortune. Prescription fraud alone is estimated to rob the NHS of £150 million a year.

Combating fraud in the NHS is a professional job. It requires a well thought through approach. It must be based on sound information. The presumption should be about preventing fraud by designing systems to stop it happening in the first place. But where it occurs there should be an equal presumption that its perpetrators will face tough action.

NHS fraud will not be easy to combat. It will take time to reduce it. But this document sets out a comprehensive approach to ensuring that fraud is reduced to an absolute minimum. It signals the Government’s determination to win the war on fraud. Success will depend on the co-operation and involvement of both patients and staff at all levels within the NHS. By working together it is a war we can win.

Alan Milburn
1 Introduction

The NHS counter fraud strategy

1.1 This document has been produced in order to establish and explain the framework within which the Department of Health and the National Health Service plan to tackle the problem of fraud in the NHS. Dealing with fraud is a key part of building the new, modern and dependable health service of the future:

We will introduce and develop a strategy for dealing with fraud in the National Health Service which is comprehensive, integrated and professional.

1.2 Fraud is a type of crime which can be difficult to identify. A non-violent and sometimes entirely paper-based activity, fraud tends towards being invisible and there may not be any immediately apparent victim. While this may be true of fraud within private sector concerns, it is doubly so in the case of public sector organisations, where large sums of money and resources must be administered on behalf of the taxpayer.

1.3 We are all the victims of fraud in public services. Money provided by taxpayers is stolen, and we are denied the proper level of service that we are entitled to expect. Fraud is theft and is morally wrong in itself, but in the case of fraud within public services, another reason it is so wrong is that it deprives society of resources which could otherwise be used for better systems and better services – an NHS for the future. Counter fraud work should therefore be seen not as an end to itself, but as a means of making the best possible use of NHS resources.

1.4 This link between the need to tackle fraud and the level of public service which can be provided means that our strategy adopts the principle that:

an effective strategy to combat NHS fraud cannot be detached from other strategies needed to ensure the proper management of the NHS.

1.5 Our strategy for dealing with fraud should dovetail with the provision of new, improved quality NHS services as we enter the new millennium. Effective fraud
controls are needed, while keeping to a minimum any increased bureaucracy which might have a damaging effect on relationships between NHS professionals and patients:

we need to work with all those involved in delivering NHS services to ensure that providing excellent service and dealing with fraud are entirely complementary

1.6 Recognising the need to address the problem of fraud in an “intelligent” manner, we have recently created a new unit, the *NHS Counter Fraud Service*, with a comprehensive remit:

“To have overall responsibility for all work to counter fraud and corruption within the NHS with particular priority for countering fraud in Family Health Services. To have direct responsibility for developing policy and strategy and for all operational work to counter fraud and corruption alongside that which is proper to Health Authorities and NHS Trusts. Here the responsibility of the Director of the NHS Counter Fraud Service will involve advice, guidance and the setting and monitoring of standards.”

1.7 This document outlines the overall strategic framework within which the new unit will meet its remit – our policy, aims and objectives together with the approach, tactics and standards we propose to adopt – and explains how we plan to win the maximum support for this work. The section on “Action” explains how we will set targets for our counter fraud work and how we will translate our strategic aims into operational action to deliver against those targets.
2 Counter fraud policy

2.1 We know that fraud occurs within the NHS. Different types of fraud have come to light and studies revealing the types of fraud that take place demonstrate that action is needed. In particular, reports by the Audit Commission, the Healthcare Financial Management Association and the NHS indicate the existence of a very wide range of types of fraud within the NHS (see appendix 1).

2.2 Our response to the problem of fraud has begun, and a December 1997 letter to all Health Authorities and NHS Trusts emphasised the need to place counter fraud action higher on the agenda. Some Health Authorities and NHS Trusts have committed resources to dealing with fraud. Additionally, the Dental Practice Board (DPB) and the Prescription Pricing Authority (PPA) have been active in addressing fraud in their specific areas. But more needs to be done. There is a clear recognition among professionals within the NHS of the existence of the problem and of the need for an operational service to counter all types of fraud and to provide national coverage.

2.3 Following the 1997 Efficiency Scrutiny of prescription fraud, we will drive forward the action plans already underway to address this problem. We are already committed to targets in relation to prescription fraud:

- to reduce by 50% evasion of prescription charges by patients by the end of the year 2002/03; and

- within prescription fraud perpetrated by NHS contractors, to prevent £9 million in fraud and to recover a further £6 million by the end of the year 2001/02.

2.4 Work is also in hand to enhance our capacity to tackle fraud within dental and optical services and to ensure maximum cooperation among all those involved.

2.5 But, while awareness of the problem of fraud in the NHS has grown, and we have begun to tackle fraud within the Family Health Services, there has not been a comprehensive integrated strategy for dealing with all NHS fraud, nor a language or programme which has allowed real strategic discussion to take place. Our work to deal with fraud should begin by making good these deficiencies.
2.6 Developing, implementing, managing, monitoring and revising counter fraud policy requires clear agreement on its purpose. Our policy as described above is to create a strategic framework – based on aims and objectives - within which the tactics to be applied can sit.

2.7 The starting points for policy development should be:

overall policy aims and objectives set by Ministers; and

quality information about the nature of the problem and the effectiveness of existing action to tackle it, derived from the most effective measurement processes possible.

2.8 The second of these starting points requires knowledge about:

how can we best measure the problem we are addressing and our success in tackling it; and

the nature of the risks to public funds that need to be managed.

2.9 We must be clear about the skills that are needed to develop counter fraud policy. In particular, this may mean a revised mixture of policy and practical skills. We must also be clear about the skills needed to successfully implement counter fraud policy. Competencies must be identified for each relevant post and these need to inform recruitment procedures and to be reflected in training.

2.10 Since policy should determine structures, revision of existing structures may be necessary in order to deliver a successful counter fraud strategy. Key elements include:

establishing working structures which ensure an ongoing integration of policy and practice and an outcome-focused approach to counter fraud work – the remit of the new CFS is a good start here;

all organisations involved in countering fraud becoming “learning organisations”, with every effort made to ensure that knowledge gained of systematic failures which allow fraud to occur is used in analysing and addressing weaknesses in those systems; and

the appointment of a senior accountable official in overall charge of counter fraud work within the NHS – the new Director of the NHS Counter Fraud Service – has been given this role.
2.11 At every level within involved organisations there must be clear accountability for implementation of counter fraud policy and management of counter fraud work:

work to counter fraud must be a core management responsibility, and this should be reflected in job descriptions and appraisal processes; and

awareness of and involvement in counter fraud work should become a general responsibility of all professionals, and the support of independent practitioners and staff is needed; recognition and support will need to be given for their specific responsibilities in counter fraud work.
3 Aims

3.1 This section explains the high level, underlying aims of our counter fraud strategy. Clarity is essential in focusing all work in this area in the same direction. We aim not only to keep fraud under control, but also:

- to reduce fraud to an absolute minimum within a set timescale;
- to put in place arrangements to hold fraud at a minimum level permanently; and
- to target more NHS resources at providing better patient care.

Reducing fraud to an absolute minimum

3.2 With our first aim, we do not propose to merely tinker with the problem of fraud or create the appearance of tackling it. Rather, we want to see zero tolerance of fraud. Fraud must be reduced to an absolute minimum level as quickly as possible;

we aim to reduce the amount of fraud in the NHS to an absolute minimum within 10 years.

3.3 We will need to develop a robust measure of the amount of fraud that exists and a prioritised action plan for dealing with it. Unless we do this, we will not be able to be sure that we are correctly prioritising our counter fraud action and targeting the use of available resources at the areas most at risk of losses to fraud.

we will begin our measurement programme with the problem of prescription fraud and will produce the most robust figures possible on the size of this problem by the end of this financial year; and

our programme will continue, and our measurement methodologies will be developed, as we go on to measure the size of other types of NHS fraud, focusing initially on Family Health Services and including use of existing information held by the DPB and the PPA.
4 Objectives

4.1 This section outlines the seven specific objectives of our strategy, which are defined and described below:

the creation of an anti-fraud culture;

maximum deterrence of fraud;

successful prevention of fraud which cannot be deterred;

prompt detection of fraud which cannot be prevented;

professional investigation of detected fraud;

effective sanctions, including appropriate legal action against people committing fraud; and

effective methods for seeking redress in respect of money defrauded.
Objective: to create an anti-fraud culture in which countering fraud is the joint responsibility of all those involved in giving political direction, determining policy, and management of the NHS

Using the information that is derived from operational work to emphasise clear messages:
1. FRAUD IS SERIOUS AND TAKES RESOURCES AWAY FROM IMPORTANT SERVICES
2. ALL TYPES OF FRAUD ARE BEING TACKLED AND ALL METHODS ARE BEING USED TO COUNTER IT
3. EVERYONE HAS A ROLE TO PLAY IN TACKLING FRAUD – PUBLIC, STAFF, MANAGERS AND POLICY MAKERS

The pervasiveness of fraud in this country has helped to give it the appearance of acceptability in some cases. There are some who believe that fraud does not occur in the NHS, or that its extent has been greatly exaggerated. These ideas, together with perceived distinctions between so-called blue and white collar crime, and between “fiddling” and real crime, are still held by some groups in society. This is despite growing evidence to the contrary and evidence that the public consider that crimes against the NHS, even if petty, are not acceptable.
4.3 These notions need to be dispelled, and a zero tolerance attitude to fraud developed. Work to tackle fraud cannot be seen as an “add-on” to the NHS. Instead, it needs to be element in the development of all policies and in their subsequent implementation.

4.4 In working towards such a culture, all those working in NHS management, independent practitioners, and NHS staff need to “own” this approach. Education and support from the centre will be needed to help secure this.

Objective: to ensure that the totality of anti-fraud measures represents the strongest deterrent possible to those perpetrating or considering perpetrating fraud
4.5 The most preferable way of minimising fraud is to ensure that fraudsters and potential fraudsters are deterred from even trying to perpetrate fraud. The most effective fraud deterrent would be peer group pressure, within a culture which rejects the idea of fraud as acceptable, values services provided and disapproves of those who would abuse them through fraud.

4.6 As such an anti-fraud culture develops, deterrence can in practice be achieved where strong prevention, detection, investigation, sanction and redress processes are in place and effective publicity and communication are developed around them.

**Objective:** to develop the most effective preventative measures so that, if fraud is attempted, it will fail

4.7 If it is not possible to deter fraudsters, then the next most preferable course of action is to prevent fraud from succeeding before there is any loss to public funds. This can be achieved by developing systems with administrative or technical features which make them less vulnerable to fraud.

4.8 To this end the strongest possible preventative measures are needed. This objective, in particular, is a key element in influencing policy design and the development of future administrative systems and processes. The need for preventative measures is therefore a main message within the drive to make counter fraud work an integral part of NHS management.
Objective: to establish the most effective processes to detect fraud

4.9 Existing fraud is present within the NHS. Additionally, there will always be those intent on finding new ways to perpetrate fraud, and it may not always be possible to immediately prevent them from succeeding. We must therefore have as an objective the ability to detect existing and new frauds effectively.

4.10 Detection processes must discover fraud at the earliest possible stage, and effective liaison procedures must ensure that prompt action is taken to minimise losses to public funds.
Objective: to develop a highly skilled body of professional investigators able to investigate any detected fraud objectively

4.11 Once a possible fraud is detected, it is essential that it is investigated in the most professional, objective and timely manner possible.

4.12 In order to match and exceed the level of skills and techniques used by those who would commit fraud, we need to develop the level of investigative skill which will allow investigations to be brought to satisfactory conclusions, allowing appropriate sanctions to be applied and redress sought for losses to public funds.
Objective: to take appropriate legal action and apply realistic sanctions for people or organisations where an investigation reveals fraud

4.13 Following investigation of fraud, we need to ensure that effective sanctions, including legal action where appropriate, are taken in respect of those investigated.

4.14 It may be necessary to shape and develop the law and regulatory frameworks within the NHS, ensuring that they are concise and unambiguous, and therefore effective tools in anti-fraud work. Again, this aspect of our counter fraud work must be linked into the overall strategy, and must not be allowed to become a separate specialist area. This will mean ensuring that there is integration of investigative and legal skills and practices.
Objective: to use all possible means to seek redress in respect of money lost to fraud

**INVESTIGATION**

Professional investigative work identifies evidence as to the funds that have been defrauded and their location.

**SANCTION**

Effective legal action ensures that all means are used to recover funds and that sanctions can be applied if a fraudster does not co-operate.

**REDRESS**

Attitudes to fraud

A real anti-fraud culture ensures that there is support from all concerned for appropriate measures to recover the funds.

**DEVELOPING AN ANTI-FRAUD CULTURE**

4.15 Seeking redress is an area of anti-fraud work which, in general terms, has been neglected in the past. Where redress has been pursued, this has tended to be done as a separate activity.

4.16 But alongside effective investigation leading to appropriate sanctions, the recovery of defrauded money should be an essential part of our overall strategy in order to ensure that fraud does not pay, whatever the legal outcome of an investigation.
4.17 These objectives reflect the methodology we propose to use to assess NHS fraud problems and identify solutions. It is important to recognise how these objectives support each other. There is of course a balance to be struck between these objectives and we should also recognise that the balance between them will change as we move from a situation where we are vulnerable to fraud to one where we have effective preventative systems in place and there is less fraud to detect.
5 Approach

5.1 Having defined our aims and objectives, this section explains the approach we shall take in working towards them. Our approach will be:

- inclusive;
- professional;
- comprehensive;
- fair;
- balanced;
- cost effective;
- specialist.

Inclusive

5.2 All those who are stakeholders in this project must be involved, and every area where skills can be of use must contribute. Proposals for countering fraud must be formulated and implemented taking account of the need for the full involvement of professionals and staff working within the NHS and taking full advantage of opportunities for multi-agency working.

Professional

5.3 Our work to counter fraud must be undertaken with professionalism and to the highest standards. Indeed, the base on which all counter fraud work will rest is the body of available skills. We will need to develop this in a focused way, to attract skilled people to the work and to give them the support that they will need to achieve our targets.
Comprehensive

5.4 Every area of fraud within the NHS must be tackled. Equally, all appropriate methods must be used to tackle it. We should not artificially limit or skew our efforts towards one counter fraud method, or limit our work to tackling one type of fraud. There should not be any “safe” areas for fraud where we allow difficulties or sensitivities to moderate our aims and objectives.

Fair

5.5 In all our counter fraud work we must act, and be seen to act, fairly. We shall develop principles of good practice and ensure that these are applied consistently. In particular, high standards of objectivity must be applied.

Balanced

5.6 We will tackle all types of fraud, and we will always seek to strike a balance between addressing very common high volume but low value fraud and higher value, complex and sophisticated fraud.

5.7 It will be important to prioritise our work programme so that we are able to save the most money in the short-term – possibly through straightforward preventative measures – but also to deal effectively with skilled fraudsters who may represent an equally significant threat in the longer term.

Cost effective

5.8 As with any area of work involving public funds, we have a clear duty to spend money wisely. Work to counter fraud can be efficient and, particularly in relation to the amounts of public money which can be safeguarded or recovered, it can often be highly cost effective.

5.9 We will always seek to demonstrate this aspect of our work and, accepting that some areas of work may appear to give better returns than others, we will continue to promote a comprehensive programme of counter fraud work across the whole range of our objectives.
Specialist

5.10 There can be no question that safeguarding public money against fraud is an area where specialist skills are essential. The complex nature of the problem and corresponding complexity of solutions to it make this a crucial factor.

5.11 In all our counter fraud work we will seek to recruit and develop a level of expertise which will allow prompt and effective action to be taken, recognising the importance of the sums of public funds at stake.
6 Tactics

6.1 Our tactics are the groups of actions taken to counter NHS fraud, within the strategic framework. This section explains our proposed tactics.

6.2 Flowing from the strategic framework, specific action plans will be developed for tackling each individual area of fraud in the NHS, taking full regard of the context of the problem. Initial action plans will continue to focus on addressing fraud in the Family Health Services, the NHS area where we currently have the most information about the amount lost to fraud. Our priorities will change as we go on to assess the scale of other fraud problems and draw up our plans for dealing with them.

6.3 We can already outline our proposed action in relation to generic issues which are central to counter fraud work:

measurement - where we have begun with prescription fraud and will continue with a comprehensive programme to accurately assess the totality of NHS fraud;

information - where we will use the most advanced Information Technology available and will ensure that we have access to, and the means to accurately analyse, all information necessary for our counter fraud aims to be reached;

professionalism - where we are already establishing the new CFS as a centre of excellence, and where we will specify the required skills, competencies and accredited training for counter fraud staff; and

linking policy and practice to ensure the most effective counter fraud measures are devised and successfully implemented.

6.4 In particular, measuring the size of the problem is key to developing our counter fraud action plan. We do not currently know the extent of NHS fraud. But we do know that reports and studies into other types of fraud show an ever-increasing trend in the number and size of reported frauds, and that continued developments in ways of recording and accounting for fraud have tended to expose more fraud than had previously been thought to exist.
The level of fraud

6.5 The 1997 Efficiency Scrutiny of prescription fraud examined estimates of the amounts of fraud perpetrated on the activities of a variety of public and private sector organisations, and found a range of losses due to fraud within their businesses or spending programmes of 3% to 8%.

6.6 Recent estimates of fraud through evasion of prescription charges amount to over 6%. Where fraud occurs within the Family Health Services, there is no particular reason or circumstance which would suggest that its level would be widely outside of the parameters for fraud in other public and private sector organisations. Losses in the hospital sector may occur at lower levels, but are nevertheless likely to be significant.

6.7 Given that organisations with simple, centrally controlled systems tend to be less vulnerable to fraud and that organisations with complex, delegated systems tend to be more vulnerable, we could reasonably expect that the overall risk of fraud in the NHS would be high. Since dedicated counter fraud work within the NHS has only begun comparatively recently, we could also reasonably expect that the risk of fraud has indeed translated into actual losses.

6.8 What we can say with certainty is that the more we look for fraud in the NHS, the more we are finding. With large sums of public money at stake, it can be seen how central the issue of measurement of different types of fraud is. We need this in order to be sure that we are directing and prioritising our counter fraud resources in the most effective way so that we can achieve our aim of reducing fraud within satisfactory timescales.
7 Standards

7.1 This section explains the standards to which counter fraud work will be undertaken and how we can be assured that those standards are being met:

the quality processes to be applied;

how compliance with good practice guidance can be assured;

how continuous learning and continuous improvement can take place; and

how quality assurance can be provided.

Quality processes

7.2 In order to ensure that we manage our counter fraud work in the most efficient way, we will examine available quality management standards and will establish which are most suitable, both for use within the central NHS Counter Fraud Service and for counter fraud work within Health Authorities and NHS Trusts. We will seek formal accreditation for all counter fraud quality management processes.

7.3 Our intention in developing the use of the most up to date quality processes goes beyond the counter fraud remit. We intend that the counter fraud organisation within the NHS should become a leader in promoting efficient use of modern quality systems and management within the broader organisation. Our need to promote our work widely within the NHS, and to ensure an integrated approach to the problem of fraud, makes us ideal candidates for this role.

Compliance with good practice guidance

7.4 Of great importance to preventative counter fraud work are high standards in operating administrative and payment systems. Alongside use of formal quality standards, we will produce comprehensive good practice guidance for all professionals and staff, looking outwards and learning wherever possible from other public and private sector organisations.
7.5 We will also monitor compliance with guidance. We will review the effectiveness of monitoring compliance systems and, subject to our findings, we will explore the potential advantages of the creation of an inspectorate function for this purpose.

**Continuous learning**

7.6 In order to strengthen and benefit from the interrelations between different areas of counter fraud work, we must ensure that we do not miss opportunities to learn from operational experiences.

7.7 The knowledge we derive from detective and investigative work will be used to design the strongest possible systems. In this sense, we must always ensure that we increase our knowledge through practical experience of fraud problems tackled and that future preventative policy work is up to date with the reality of the fraud risks that we face.

**Quality assurance**

7.8 We will review our progress in dealing with fraud on a regular basis. We will introduce the widest possible accountability for discharging our counter fraud responsibilities by following this initial strategic document at appropriate intervals with regular reports on achievements and the development of our plans and we will make these reports publicly available. We will aim for openness and transparency in all our counter fraud work.
8 Support

8.1 This section outlines:

the areas from which support for the strategy is needed; and

how that support can be won.

8.2 Support, as described below, will be needed from four main areas:

executive support

financial support

public support

professional and staff support

Executive support

8.3 In order to succeed in reaching our targets, we need executive support from all levels of NHS management. Work undertaken to counter fraud can have a beneficial impact in other areas of the organisation, highlighting inefficiencies and helping to alleviate problems of low morale.

Financial support

8.4 Without adequate investment, it will be impossible to realise the aim of reducing fraud to an absolute minimum level. All organisations which have made progress in tackling fraud have made initial financial investments in order to produce medium and long term results.

We have begun with our investment in the new CFS, and also by raising the profile of fraud issues with Health Authorities and providing incentives for them to recover funds lost to fraud.
Public support

8.5 We need to actively promote this area of work, emphasising that NHS fraud is real crime and that public funds which are saved or recovered can be used positively. Our intention is to make clear that counter fraud work is intended to allow us to target the use of resources at genuine need.

Financial support

8.6 We will carry out our work fairly, but in a determined and objective manner. We must overcome any cynicism about what can be achieved and help to build public faith in the NHS through assurance that public funds are being properly used.

Professional and staff support

8.7 We need to motivate all those working in the NHS with the message that this is a socially responsible area of work in which the vast majority of honest people all have an important role to play.

8.8 Counter fraud work can protect and enhance the reputation of the NHS, freeing up the resources that professionals and staff need to be able to deliver the best possible service in the way that they would prefer.

8.9 In order to win the support we will need from these areas, we will develop and promote a comprehensive communications strategy which explains our counter fraud work and its wider importance to each target audience.

8.10 We must recognise our need for the active assistance of all those working within the NHS and of the general public, and we must work hard to gain and to justify their help.
9 Action

The section describes the initial, practical steps that we will take to turn our strategy into successful counter fraud action.

9.1

- Creating a real anti-fraud culture
- Deterrence
- Prevention
- Detection
- Investigation
- Sanction
- Redress
- Inspection

- Prescription/Pharmaceutical Fraud
- Dental Service Fraud
- Optical Service Fraud
- GMS Fraud
- Procurement Fraud
- Fraud in Hospitals and Trusts

Meeting TARGETS

Existing targets and specific financial milestone targets within an overall 10 year commitment to reduce fraud to an absolute minimum
Information

9.2 Access to information is essential to analysis of fraud problems and to operational work to tackle fraud. Information is held in many places throughout the NHS. This includes both administrative records and confidential patient records. Access to confidential patient information is subject to legal restrictions which we will of course observe.

Subject to legal restrictions, we will require those working throughout the NHS to supply relevant information wherever it is held, in order to develop the knowledge needed to identify system weaknesses and to carry out counter fraud operations.

Measurement

9.3 Our commitment to reduce NHS fraud to an absolute minimum in 10 years will of course entail milestone targets within that period. But it would be wrong to set those targets now, before we have an accurate picture of the amount of fraud that exists.

9.4 The measurement process that we will develop will involve exhaustive examination of statistically valid samples of NHS spending in order to extrapolate the most accurate figures possible for our estimates. This examination will be carried out using the widest possible sources of information in order to demonstrate whether, on the balance of probabilities, a particular example is fraudulent or not. We will systematically seek to avoid examination processes which can produce doubtful categories and heavily qualified estimated figures;

following statistically valid, investigative examinations of areas of NHS spending, we will announce financial milestone targets for reductions in fraud within our overall 10 year commitment, with the first targets set by the end of 1999/00.

Operations

9.5 In order to ensure that we are able to effectively detect and investigate fraud, we will need professional counter fraud officers in each area of the NHS. We will invest the necessary resources in order to build comprehensive counter fraud coverage and to put in place the staff and equipment we need:

we will provide specialist, targeted guidance relating to each area of known NHS fraud and, based on the evidence from the measurement process, we will develop comprehensive action plans for each of these areas;
we will provide professional counter fraud training for designated Health Authority staff and will review financial incentives so that health bodies are able to direct specialist resources at their fraud problems;

we will recruit and train staff in each NHS region, and we will also establish proactive, mobile teams to deploy in areas of particular concern and to deal with complex, cross-boundary frauds.

9.6 We will begin to investigate detected fraud, and allegations of fraud, immediately. Throughout 1999/00 we will build a unified counter fraud structure – supporting action in local health bodies - which is capable of reacting promptly to suspicions of fraud that arise, and of proactively targeting areas where there is a high risk of fraud. All staff engaged in NHS counter fraud work will be required to be trained and accredited by the CFS in order to ensure that work is undertaken to common, high standards;

we are committed to providing resources for this work and to ensuring that there are staff available in all areas, with the professional training and support that they will need in order to successfully tackle fraud.

9.7 The end result of our operational counter fraud work will be:

more fraudsters detected;

more prompt and effective investigations;

tough sanctions applied where fraud is proven;

less money lost to fraud and more stolen money recovered from fraudsters; and

more NHS resources targeted where they are genuinely needed.
10 Vision

10.1 The ultimate aim of all our counter fraud work is to support improved NHS services. Stopping the theft of public money by fraudsters brings with it the added bonus of being able to see that money deployed for the public good, as the taxpayer intended.

10.2 Our counter fraud work will be entirely in tune with, and will directly support, the aims of a new, modern and dependable NHS where we will:

- always aim for the highest standards of stewardship of public funds, and of quality and efficiency in the best possible use of NHS resources;

- make the easiest and fastest possible use of all available information and always seek to harness new improvements in Information Technology and other developments in professional standards of security management; and

- do all that we can to play our part in rebuilding public confidence in the NHS.

10.3 We are therefore working towards a vision of the NHS where:

- secure systems are in place and, where new types of fraud occur, we are able to identify them quickly and feed knowledge of how they are perpetrated back into the process of preventing them occurring again;

- professionals and managers within the NHS see responsibility for counter fraud awareness and initiatives as an integral part of their roles and duties;

- there are professional and well-trained counter fraud staff available to all parts of the NHS where they are needed; and

- public attitudes demonstrate that fraud within the NHS is clearly unacceptable, and there is widespread support for our counter fraud work.
Appendix 1

Examples of known types of NHS fraud which will be effectively tackled within the framework of the new counter fraud strategy

Fraud committed by patients.

- Patients claim exemption from prescription charges when they are not in fact exempt.
- A patient falsely claimed over £2,500 a year in travel expenses to an out-patient clinic.
- Patients have falsely stated that they have lost their prescriptions and obtained duplicates.
- Patients have falsely registered with a number of doctors and obtained prescriptions from each.

Fraud committed by pharmacists.

- Conspiring with a GP, a pharmacist submitted bogus prescriptions for reimbursement with a value of over £1 million.
- Some pharmacists have made significant amounts of money by substituting an expensive drug with a cheaper alternative, but claiming payment for the more expensive one. In other cases, items have been added to prescriptions, or the amounts of the drugs prescribed have been altered, so as to increase payments made to pharmacists.
- Fraudulently generating fees for emergency opening, one pharmacist claimed to have been called out over 400 times in one month.
Fraud committed by dentists.

- A dentist claimed £212,000 over two years by submitting claims for patients who did not exist.

- A dentist made duplicate claims for patients, making slight changes to their names, with a total value of more than £70,000.

- Incidents have occurred where dentists have charged patients privately and also submitted claims to the Dental Practice Board.

Fraud committed by opticians.

- Three opticians claimed falsely to have supplied tinted lenses to patients in order to generate an additional £25,000.

- The manager of an high street opticians made false claims to boost turnover and avoid closure.

- An optician claimed for eye tests and the supply of glasses to patients who had died.

- An optician consistently claimed that 2 pairs of glasses were issued to a patient (distance and near) but only one pair was actually issued on each occasion.

Fraud committed by doctors.

- A dispensing GP issued bogus prescriptions for residential home patients over several years, with a value of more than £700,000.

- Following a doubling of the amount paid for night visits, one GP’s claims rose from under 200 visits per year to 500 when the average was only 60 but the additional visits had not been made.

- Claims were made relating to 23 patients supposedly living in a one bedrooomed flat owned by the GP involved.
- A doctor refused to see his patients at his surgery only to claim £150,000 in night visits fees to visit them at their homes.

**Fraud committed by hospital consultants.**

- A senior specialist falsified employment agency timesheets while working full time for an authority, generating £46,000 in fraudulent income over five years.

- A consultant recorded private patients as NHS patients in order to avoid making the appropriate payments to the hospital.

**Fraud involving the procurement of drugs or services.**

- During a period of one year, a storeman accepted gifts as payment for placing 40 years worth of orders from a supplier.

- A manager colluded with suppliers to produce invoices for £25,000 worth of goods which were not delivered.

- One investigation revealed £73,000 worth of catering and stationery supplies misappropriated within a health authority.

**Fraud committed by staff.**

- An investigation at one NHS Trust revealed over £380,000 in claims for duty payments and hours worked, with no evidence that the work had been done.

- A manager forged the signatures of authorised cheque signatories and submitted a number of false invoices to support reimbursement requests. The estimated value of the fraudulent payments was £34,000.

- A travel claims officer submitted false claims which replicated genuine claims and manipulated BACS payment details to divert the payment into his bank account. The loss totalled £60,000 over four years.
Fraud involving patients’ income.

- A community living scheme manager stole over £12,000 from two disabled patients whose finances he was responsible for managing.

- A nurse persuaded patients with learning disabilities to let him hold their building society books and misappropriated over £9,000.

Research Fraud.

- A senior consultant fraudulently claimed to have performed a pioneering surgery, and computer records were tampered with to falsify results. This type of fraud is important because medical knowledge is developed in part on the published results of previous research work.
Appendix 2

Further reading


NHS Executive (1997) Prescription Fraud: An Efficiency Scrutiny NHSE.
3.4 Details of how we will produce our estimates of the levels of different types of fraud in the NHS are in the section on “Action”.

Arrangements to hold fraud at a minimum level

3.5 Our second aim is to ensure that, as we address fraud, we learn the lessons of how it has been perpetrated and use this knowledge to inform the development of measures to prevent fraud. This link between practical knowledge of fraud and future systems to prevent it will be crucial in building secure systems.

Resources for better patient care

3.6 We will tackle fraud because this is morally the right thing to do. But counter fraud work will not be pursued as an end in itself. The most powerful incentive to tackle this problem is the need to ensure that resources are not lost to fraud but are used for better systems and services delivering improved patient care.

3.7 Our third aim is therefore to link counter fraud work with overall improvements to the service provided by the NHS. This is the underlying purpose of our counter fraud work and needs to be stated.

3.8 To implement our high level aims, we need a solid framework, consisting of:

   our objectives - in support of our aims;

   our approach to reaching our objectives;

   the tactics we will adopt within our strategic framework;

   the standards we will apply to this work; and

   the support that we will need to have in order to succeed.
Countering Fraud in the NHS