

*Insurance Plan Fraud:  
A problem that currently plagues the field of  
massage therapy*

Suzie Morrison  
Studying at VCMT (Vancouver College of Massage Therapy)  
RMTBC Student ID #7515  
RMTBC Scholarship Award Application 2018  
Submitted: January 31st, 2018

*Registered  
Massage Therapists'  
Association of BC*

For any profession, especially a self-regulated one, there are going to be various barriers or issues to encounter. One particular issue, discussed in a professional development class at VCMT (Vancouver College of Massage Therapy), is insurance fraud. Our instructor mentioned that there are more fraudulent claims being put through for massage therapy than any other of the insurance covered services. I found this particularly interesting, having a background of working in a private clinic for the last 4 years, and coming across such instances of clients wanting to dishonestly submit claims in other persons names or receive receipts for treatments not rendered. This subject piqued my interest as it has many implications and effects on the field of massage therapy. One of the main things that sets Canada apart from the US is that “massage therapists are regulated health care professionals in Canada and must become ‘Registered’ in order to bill through insurance, medical benefits, and other forms of third-party payment for massage therapies.”<sup>1</sup> It is alarming to discover that these deceitful claims can and does negatively impact the profession and its relationship with insurance providers to the point of implicating the desire of benefits plans to cover massage therapy treatments. “[P]rofession stakeholders suggest the insurance industry and corporations offering workplace benefits grow tired of being easy marks for fraud in massage therapy claims.”<sup>2</sup> If massage therapy treatments are discontinued or reduced in these benefits packages, due to the fraudulent activities, it would detrimental to the profession and its reputation.

Fraud, in the sense of insurance claims, differs from insurance abuse in that it is illegal, and it comes in a variety of forms. Insurance fraud through massage therapy can includes:

- ❖ Receipts being issued to an individual that did not receive the treatment.
- ❖ Digital claims being processed when treatments were not provided (more susceptible to this in a digital world where some insurance providers do not require documentation of the treatment being claimed).  
This can either be due to:
  - A patient, who had one or a few treatments with a therapist, puts through claims with that RMTs registration number for additional treatments or for treatments under their family members benefits that never occurred.
  - A patient submits claims for treatments paid for but not received, such as when a patient “no showed” or late cancelled and was charged the full rate due to a 24-hour cancellation policy.
- ❖ Practitioners using other RMTs numbers to issue receipts, particularly if they are not registered in that province that the treatment is being provided or not registered at all.
- ❖ Identity theft, when a stranger uses the insured members policy and plan numbers to have coverage.
- ❖ Receiving services other than massage therapy that is billed to the provider as only massage therapy (e.g. personal training, dietary consultations, yoga classes or in the case of a spa setting- getting champagne, chocolates, facial, etc.).

“Each year, an estimated \$5-billion is lost in Canada to health care benefits fraud and abuse.”<sup>3</sup> Abuse and fraud are different but can lead to similar consequences. “Abuse occurs when a participant and/or a service provider

exploit the plan provisions, which includes overbilling, providing treatment or services when not medically required and overusing services.”<sup>4</sup> This is a fairly common practice that I, personally, never considered could be problematic or complicate benefits packages, as many clients say they want to “use up” their benefits by the end of the year. The “individual might say the insurance company makes so much money anyway, or I am entitled to it.”<sup>5</sup>

With the growth in patient use of benefits towards massage therapy treatments and the growth of misrepresented claims makes this an important issue to look at in this industry currently. Just this last fall (2017), Toronto Transit Commission (TTC) ended employment with 170 of its staff due to insurance issues through Manulife Financial, leading to the TTC suing Manulife for not being more proactive with their detection and investigations of such fraud occurring. Unfortunately for massage therapists, this profession was singled out as one being targeted for investigations. “Toronto’s auditor general [Beverly Romeo-Beehler] has been digging into fraudulent claims for city employees, including prescribed drugs, massage therapy, orthotic supports and braces, and more.”<sup>6</sup>

Just one example of what the auditor general uncovered during her 2013-2015 findings included: “Each of the six members of an employee’s family reported receiving massage therapy on the same day on six different occasions within 10 weeks, receiving about \$3,000 in reimbursement. On each date the family claimed a total of 5.5 hours of massages — each signed off by the same massage therapist.”<sup>7</sup>

When insurance fraud occurs, it can affect the insurance companies desires to provide that therapy in the plan. When discovered, the patient would have to pay back all fraudulently submitted claims and the patient is also putting themselves at risk of not only being reprimanded at work but also possibly terminated. Therapists and clinics that are fraudulent or condone fraudulence to happen in their clinic may result in being “delisted” from various insurance companies. This is to prevent specific companies (clinics or individual therapists) from being able to have their treatments covered under these benefits plans, in attempts to better protect insurance plans. With these fraudulent acts occurring, there is a rise in the cost of benefits plans to employers, who will have less incentive to provide them if the costs outweigh the benefits. Additionally, many RMTs either work in small clinics or run their own sole-proprietorship, so if they are inundated with issues surrounding fraudulent claims it can be time consuming and costly.

With a large portion of registered massage therapy patients using benefits plans to be able to include massage therapy into their personal health care, the fear of it being stripped from plans or minimized would have a devastating effect on this highly self-employed profession making it unstable or unsustainable for practitioners to maintain clientele. In other words, “the general fear is that if this privilege continues to be abused it will eventually be revoked, leaving many of us out in the cold with a client base who will no longer be able to afford, or be willing to pay for, our services.”<sup>8</sup> More and more clinics are now offering direct billing through extended

benefits plans to make their clinics and services more desirable to those that do not have the means to pay out of pocket expenses for treatments.

In a survey, albeit outdated, “commissioned by the College of Massage Therapists of Ontario, 75 per cent of patients or clients use employee workplace benefits to pay, or partially pay, for their care.”. This survey was conducted in 2003 by Collis and Reed and unfortunately I was unable to find any statistics more recent and/or correlated with British Columbia, but these statistics still serve a purpose to show what a staggering amount of treatments being billed by RMTs are going through benefits plans. If this was to be removed or reduced it would largely impact the profession.

More recent statistics that supplement these findings include:

- ❖ A Sanofi survey from 2015 (for a study by Green Shield Canada) shows that massage therapy treatments are the fastest growing claim type of their plan options. “Actively claiming plan members submitted, on average, 7.3 claims for paramedical services such as registered massage therapy [and] registered massage therapy represents 57 per cent of all paramedical services claims, followed by chiropractic and physiotherapy.” Also looking at the age profiling of these claimants showed that the majority (68 percent) were between the ages of 18-34, which shows registered massage therapy to be very much so a lifestyle benefit.
- ❖ Canadian Life and Health Insurance Association stated in 2013 that claims for massage therapy have increased from just under 10 percent in 2001 to about 27 percent (almost tripled in those 12 years). Additionally they stated that “over 23 million people, or 67 per cent of the population have extended health care benefits.”.

These statistics and trends help to deduce a positive correlation that the 2003 stats of 75 percent of clients using benefits plans towards their treatments have only increased in recent years. It is important to note though that the percentages of those with benefits using their plans is still quite low, even if it is on the upswing and growing, with less than a third of the plan members using these benefits it could also lead to these plans suffering. Unfortunately, this low usage rate related with “very few plan sponsors measure ROI (return on investment) in a rigorous way” can then cause employers to consider other incentives in lieu of providing benefit plans.

Currently some carriers are tackling these problems of fraudulent claims by changing the plans in such ways to prevent recreational users from utilizing the services because they are not in need of therapeutic care. One example is “10 initial visits paid at \$10 each and then 100 per cent coverage to a maximum of \$500 for each service.”. Another method, that occurred personally with my benefits plan through Chamber of Commerce, is the bundling all paramedical services into one lump-sum allocation. Albeit it effective methods to prevent abuse

of benefits packages, this alone will not resolve the issue of fraudulent claims and can be to the detriment of the patients and the massage therapy profession if it means less funds are available towards needed therapies.

There are many tactics to tackle this issue of benefits fraud and some are currently being implemented in varying degrees. Educating and working with each of the parties involved will be important moving forward in the future, these parties include: the plan member (patients), RMTs and clinics, employers/plan sponsors and last, but not least, the insurance providers.

Patients: By educating plan members on the effects and complications of fraudulent acts will help impact their decisions on how to best utilize their plan. “When choosing a therapist, it is always important to make sure the therapist is in fact registered in the province they practice in.”<sup>11</sup> Directing patients to websites for such things as: the 10 tips for anti-fraud health care or having brochures or seminars to educate employees would be beneficial. Some recommendations include: protect personal information, do not share plan information with others to use, report suspected plan fraud or abuse, understand the plan and limits, ask questions, etc.<sup>12</sup>

RMTs and clinics: Unfortunately, most RMTs do not want to be “whistleblowers” so they are unlikely to report acts of fraud. Also, some view it as a victimless crime because it is not harming the practitioner or the patient directly or immediately but if they are educated on the impact and potential threat of lost clientele it would put this issue into perspective. By informing RMTs on what changes it would make to their practice if clients were unable to claim their treatments under benefits plans, they would want to monitor for patients’ treatment amounts based on needs, prevent issuing receipts for treatments not rendered and would want to safeguard their registration number more. Possibly in the future, with new technology, we will be able to encrypt or protect registration numbers as currently including them on every receipt makes them a target to quite easily be used in a fraudulent matter.

RMTs feel that they are caught between a rock and a hard place because they want to protect the rights and privacies of their clients, but they also want to report such deceptions to insurance providers to limit the negative impact to this industry. Therapists are pitted against insurance providers when they believe that there is red tape and restrictions from their clients being able to get the care that they need and deserve if insurance providers are not wanting to pay out claims. One potential solution to this dilemma is to “[obtain a signed release form from the patient, which essentially gives the therapist permission to respond to any request for information by the client’s extended health insurance provider for purposes of claims reimbursement.”<sup>13</sup>

Employers: Working with the employers, who are typically the plan sponsors, is another great avenue to approach this issue from. “Provide fraud awareness education to benefit plan sponsors and their employees, including the characteristics and consequences of fraud”<sup>14</sup> would be a great way of educating both.

Insurance Providers: Continue to encourage insurance providers to work on fraud prevention, detection, and investigation programs to help keep these activities from occurring. Additionally, to send a clear message to those using the plans that they are at risk of being detected if they are acting fraudulently knowingly, and educating those who might be committing fraud unknowingly.

“In 2014, the Financial Services Commission of Ontario implemented a pilot project called the Professional Credential Tracking program, which enabled health professionals to track through the system where their registration numbers are being used, when and who’s using them.”<sup>13</sup> This would be extremely useful as it would allow therapists to check for themselves if their registration number is being used by unknown parties and fraudulently and be able to report this and this would help create a better partnership between therapists and insurance providers.

By working with the aforementioned parties and bringing more awareness to these issues there will hopefully be a positive change and see a decrease in cost of group benefits plans. This in turn will allow them to stay intact or potentially grow in the future with the increasing demands of registered massage therapy for the population.

“Losing extended health benefits funding would be a financial tsunami to the massage therapy profession. It’s imperative we take great measures to evoke positive relationships with the insurance industry, government, other health-care providers, the media and general public, and perform our due diligence in preventing insurance fraud directly.”<sup>2</sup> With growing use of insurance policies and the demands of massage therapy being a crucial role in the plan members health and wellness we want to prevent anything that could undermine or impair these benefit plans. “More than \$30 billion is paid annually through extended health insurance benefits delivered to Canadians. Between 2 and 10 percent of all health care dollars are lost to fraud.”<sup>13</sup> This equates to between \$600 million to \$3 billion of fraudulent claims every year in Canada. This negatively impacts all parties involved, insurance providers, health care professions, employers and plan member (patients). Benefits packages are not able to sustain such inflated costs and employers would have to either remove, reduce or co-pay (getting employees to share in the costs) for these plans in the future. Massage therapists have worked hard to be acknowledged as health care professionals and viewed in the general public’s eye as a service that is needed alongside doctors, chiropractors, and physiotherapists. If treatments are not to be covered under extended benefits, then not only will it hurt the public and massage therapists individually but also the profession as a whole.

## References:

1. How to Become A Massage Therapist – Canada vs. USA [Internet]. Massage Therapy Ontario. [cited 2017Aug17]. Available from: <http://www.massagetherapyontario.net/blog/2012/07/18/how-become-a-massage-therapist-canada-vs-usa/>
2. Massage Insurance Fraud [Internet]. Massage Therapy Canada. [cited 2018Jan20]. Available from: <https://www.massagetherapycanada.com/insurance/massage-insurance-fraud-1706>
3. Human Resources Communications on February 8, 2017. Benefits Fraud and How It Affects You: Sun Life's Delisted Providers [Internet]. UBC Human Resources. [cited 2018Jan13]. Available from: <http://www.hr.ubc.ca/benefits-fyi/2017/02/08/benefits-fraud-and-how-it-affects-you-sun-lifes-delisted-providers/>
4. Research Project for Emerging Issues/Advanced Topics Course: Diploma in Investigative and Forensic Accounting Program [Internet]. University of Toronto. [cited 2017Jan13]. Available from: [https://mfacc.utoronto.ca/sites/files/difa/public/shared/Program/ResearchProjects/DIFA2009-Private\\_Healthcare\\_Benefits\\_Fraud-A\\_Group\\_Insurers\\_perspective.pdf](https://mfacc.utoronto.ca/sites/files/difa/public/shared/Program/ResearchProjects/DIFA2009-Private_Healthcare_Benefits_Fraud-A_Group_Insurers_perspective.pdf)
5. The abuse of benefits. [cited 2018Jan20]. Available from: <https://www.cpacanada.ca/en/connecting-and-news/cpa-magazine/articles/2014/october/the-abuse-of-benefits>
6. Rider D. TTC launches lawsuit against Manulife Financial [Internet]. thestar.com. 2017 [cited 2018Jan13]. Available from: [https://www.thestar.com/news/city\\_hall/2017/09/21/ttc-launches-lawsuit-against-manulife-financial.html](https://www.thestar.com/news/city_hall/2017/09/21/ttc-launches-lawsuit-against-manulife-financial.html)
7. Rider D. City of Toronto audit raises flags on massages, orthotics and more [Internet]. thestar.com. 2017 [cited 2018Jan13]. Available from: [https://www.thestar.com/news/city\\_hall/2017/03/21/city-of-toronto-audit-raises-flags-on-massages-orthotics-and-more.html](https://www.thestar.com/news/city_hall/2017/03/21/city-of-toronto-audit-raises-flags-on-massages-orthotics-and-more.html)
8. Insurance Coverage for Massage Therapy [Internet]. Massage Therapy Canada. [cited 2018Jan13]. Available from: <https://www.massagetherapycanada.com/insurance/insurance-coverage-for-massage-therapy-2061>
9. Lazowski A. Canadians leaving extended health benefits unclaimed [Internet]. CBCnews. CBC/Radio Canada; 2013 [cited 2018Jan13]. Available from: <http://www.cbc.ca/news/health/canadians-leaving-extended-health-benefits-unclaimed-1.2100974>
10. 9 2016 BCCACCAN. How health benefits plan design is changing [Internet]. BenefitsCanada.com. [cited 2018Jan13]. Available from: <http://www.benefitscanada.com/benefits/health-benefits/how-health-benefits-plan-design-is-changing-89047>
11. Rmtcollective. Insurance fraud on the rise [Internet]. RMT Collective. 2017 [cited 2018Jan5]. Available from: <http://www.rmtcollective.com/2017/05/22/insurance-fraud-on-the-rise/>
12. Canadian Life and Health Insurance Association. [Internet]. Canadian Life and Health Insurance Association - Healthcare Anti-Fraud - Consumer Information. [cited 2018Jan5]. Available from: [https://www.clhia.ca/domino/html/clhia/CLHIA\\_LP4W\\_LND\\_Webstation.nsf/page/053339C33717DBE985257F030075BC7C!OpenDocument](https://www.clhia.ca/domino/html/clhia/CLHIA_LP4W_LND_Webstation.nsf/page/053339C33717DBE985257F030075BC7C!OpenDocument)
13. Fighting fraud [Internet]. Massage Therapy Canada. [cited 2018Jan5]. Available from: <https://www.massagetherapycanada.com/insurance/fighting-fraud-3475>
14. The abuse of benefits. [cited 2018Jan5]. Available from: <https://www.cpacanada.ca/en/connecting-and-news/cpa-magazine/articles/2014/october/the-abuse-of-benefits>