Leveraging the power of advanced analytics and predictive modeling to curb FWA.

Insurance fraud prevention is an arms race. As soon as fraud is detected and addressed, new forms of fraud, waste and abuse (FWA) appear. Older detection systems may not keep pace with the evolving face of fraud, leaving you at risk for greater losses. That’s why Xerox has developed state of the art fraud detection analytics that help you respond quickly and effectively to curb emerging fraud and abuse schemes.

The National Insurance Crime Bureau (NICB) estimates that property and casualty based insurance fraud costs Americans $30 billion per year. If you include other insurance lines like health, life and specialty insurance, the total cost of insurance fraud may exceed $120 billion annually.

Automated rules engines can help insurers identify FWA and stop payments on fraudulent claims. But these rules are built around known indicators; that means new FWA types and patterns often aren’t detected until it’s too late. On top of that, the sheer volume of increasing submissions can overwhelm legacy detection systems, further delaying results and increasing losses.

That’s why the Xerox approach identifies fraudulent and inappropriate claims as they are submitted. Our combination of advanced analytics and predictive modeling reviews a wide spectrum of claims in seconds and helps you respond quickly. Using our solution, your program can uncover and eliminate fraud from your program when it matters most—right now.
Our real-time solutions enable you to control costs and recover funds sooner.

Solution Features
Developed by the scientists at PARC, a Xerox Company, our solution offers:
• Intuitive reporting with visual representations of relationships, events and locations
• Families of analytics to target known or emerging fraud patterns
• Ability to address multiple claim types and scenarios, including medication abuse
• Active learning technologies that enable our solution to learn rapidly from both data and human experts
• Turnkey solutions managed from initial identification to validation and recovery pursuit

Our highly talented detection team at PARC has deep expertise in machine learning, analytics, automation, visualization and software engineering. The team members’ combined skills have produced a solution that is at the forefront of fraud prevention in the insurance industry.

Our Approach
Xerox improves upon purely rules-based systems by applying detection solutions that learn from the data and provide real-time alerts. We start with powerful families of analytics that review claims according to proprietary criteria and additional parameters customized by each client. This enables us to use multiple claim review approaches that can uncover emerging patterns and anomalies that are nearly undetectable to hard-coded rules engines. Our analytics can be applied to a wide range of claims and can uncover unusual activities and outliers in several unique areas:

Temporal Analysis examines different activity periods to look for sudden billing increases or activities that do not align with the case history.

Geospatial Analysis tracks patient movements to see where they travel to receive care and obtain prescriptions, as well as the locations of a provider’s patients. This can reveal fictional claims, narcotics hunting, doctor shopping and other fraudulent behavior.

Social Analysis uncovers business and personal relationships between insureds and providers or suppliers associated with past fraudulent activity and/or services with a high risk of being abused.

Outlier Identification automatically detects provider or supplier peer groups for different classes of claims. This makes it easier for you to make more accurate comparisons and to uncover billing behavior that is outside normal practice patterns.

Real-Time Solutions Support Real-Time Action
From incorrect billing to unnecessary procedures, services, drug abuse and identity theft, there are many ways fraud, waste and abuse can drain insurance resources and negatively impact insureds and employers caught in the middle. But with Xerox Fraud, Waste and Abuse Detection Solutions, you can control costs and recover funds sooner than later. And that helps to ensure better outcomes today and tomorrow.