



Worksite: _____ Instructor: _____ Date/Time: _____

Topic C461: Worker's Compensation Fraud

Introduction: Worker's Compensation Fraud is a large and complex problem; the solution to which is hindered by disagreement between insurers, employers, labor unions, and governing agencies. Many states have begun vigorously pursuing the prosecution of medical treatment fraud, medical reporting fraud, claimant fraud, "capping" by attorneys and others, employer and insurer fraud that discouraged or prevented injured workers from obtaining benefits.

It is unlawful to aid, abet, solicit, or conspire with any person to do any of the following:

- Make or cause to be made, any knowingly false or fraudulent material statement, or material representation for the purpose of obtaining, or denying any compensation, including payment of a loss, or injury under a contract of insurance, or benefits, or reimbursement provided in the Return-to-Work Program.
- Knowingly present multiple claims for the same loss or injury, or for payment of the same health care benefit, including presentation of multiple claims to more than one insurer, with an intent to defraud.
- Knowingly submit a claim for a health care benefit that was not used by, or on behalf of, the claimant.
- Knowingly present for payment any undercharges for health care benefits on behalf of a specific claimant unless any known overcharges for health care benefits for that claimant are presented for reconciliation at that same time.
- Prepare or make, present or cause to be presented, any written or oral statement as part of, or in support of, or opposition to, any claim or payment, or other benefit pursuant to an insurance policy, knowing that the statement contains any false or misleading information concerning any material fact. Note: "Statement" includes, but is not limited to, any notice, proof of injury, bill of services, payment for services, hospital or doctor records, X-ray, test results, medical-legal expense, other evidence of loss, injury, or expense, or payment.
- Conceal, or knowingly fail to disclose the occurrence of, an event that affects any person's initial, or continued right, or entitlement to any insurance benefit or payment, or the amount of any benefit, or payment to which the person is entitled.
- Make or cause to be made, any knowingly false or fraudulent statements, with regard to entitlement to benefits with the intent to discourage an injured worker from claiming benefits or pursuing a claim.
- Make or cause to be made any knowingly false or fraudulent material statement or material representation for the purpose of discouraging an employer from claiming any of the benefits, or reimbursement provided.
- Willfully misrepresent any fact, in order to obtain worker's compensation insurance at less than the proper rate.
- Knowingly solicit, receive, offer, pay, or accept any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration, whether in the form of money or otherwise, as compensation or inducement for soliciting, or referring clients or patients to obtain worker's compensation services or benefits unless the payment or receipt of consideration for services other than the referral of clients or patients, is lawful pursuant to the Business and Professions Code, or expressly permitted by the Rules of Professional Conduct of the State Bar.
- Knowingly operate or participate in a service that, for profit, refers or recommends clients, or patients to obtain medical or medical-legal services, or benefits of worker's compensation.

Many states have begun vigorously pursuing the prosecution of worker's compensation fraud.

Penalties for committing Worker's Compensation Insurance Fraud:

Anyone convicted of Worker's Compensation fraud is guilty of a felony punishable by imprisonment in the county jail for six to twelve months, imprisonment in the state prison for two, three, or five years, and by a fine up to one-hundred fifty thousand dollars (\$150,000) or double of the value of the fraud, whichever is greater, or by both imprisonment and fine. Restitution may be ordered, including restitution for any medical evaluation, or treatment services obtained, or provided.

Conclusion: Any worker convicted of worker's compensation fraud will be ineligible to receive or retain any compensation.

Employee Attendance: (Names or signatures of personnel who are attending this meeting)

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

These guidelines do not supersede local, state, or federal regulations and must not be construed as a substitute for, or legal interpretation of, any OSHA regulations.