



# HOW TO BUILD A MAJOR CASE UNIT

## Advice from Three SIU Leaders



By Jeffrey G. Rapattoni, Esq.

The technological advances in fraud fighting have made major case not a choice but rather an expectation. There are numerous jurisdictional and corporate considerations to be had for certain, yet some common ideas and best practices exist to get to the finish line first. With all the emphasis on the recovery dollar in major case these days, I sat down and asked a panel of experts their thoughts on how to build a successful major case unit.

### 1. What advice can you provide for a company looking to start a major case unit?

I would recommend that the Major Case Unit have a separate “Best Practices” as the unit operates differently than your typical single claim field or desk investigation. I would suggest to clearly outline the type of referrals and cases that the Major Case Unit will work and detail whether or not it will be based on complexity, exposure and/or any other reason. Clearly identify the area or areas within your footprint that would benefit best from a Major Case Unit, start there and expand as needed. Determine if your investigators are going to be specific to a line of business or work

any/all Major Case investigations regardless of the line of business or type of investigation.

*Brian A. Bilderback CIFI, FCLS; Sr. Investigator/Special Investigations, Erie Insurance*

Be certain of the need for Major Case investigations in your organization and be sure that you’re fully committed to it, should you decide to start a Major Case Unit (MCU). Part of that commitment is that Executive Management and your Legal Department support the concept and have the appetite for that level of SIU focus. If you intend to pursue any type of Affirmative Litigation, you should be prepared for substantial push back, possibly more complaints and scrutiny being generated against your company, and everyone, including the CEO being prepared to be deposed. Regarding the actual operations of the MCU, access to the appropriate claim and company data is crucial, as it is the key to identifying the claims involved and total related exposure. If you cannot get at your data, you may have difficult time identifying your true exposures. It is important to have patience and allow the Major Cases to develop. The MCU cases often take many months and even years to come to some sort

of resolution. Lastly, I would say it's important to keep your investigation focused on the appropriate issues, and always have an exit strategy in mind for closing a major case, in the event that it does not develop as expected. Major Case efforts against fraud are not for everyone. They are something that each organization must really examine to see if it is something they want to take on.

*Matt Gall, SIU Manager, COUNTRY Financial*

It may sound cliché, but I can't stress the importance of communication and collaboration. It is so important to have those crucial conversations with senior leadership, claims leadership, your IT teams, your claims professionals, Corporate and claims legal, and your SIU team to identify risks, concerns, and expectations before you even begin to implement a major case unit. Implementing a Major Case Unit requires an organization to be committed for the long run with the expectation that it may need to morph as the industry changes. Here are a few crucial questions to ask during the initial development phase:

- What does "Major Case" mean to organization? Even within the SIU community the label of "Major Case Unit" conjures different definitions with varying expectations. It is important that everyone involved has a complete understanding of the expectations of a Major Case Unit including the criteria for referrals. Does the title "Major Case Unit" have any negative perceptions or unrealistic expectations among the stakeholders? Evaluate the feedback.



- At the end of the day, what does success look like for a Major Case Unit? The answer is a true measurement of the organization's appetite to venture into major case investigations.

- What is the organization's analytics maturity level? An organization and the SIU should evaluate their capability of conducting end- to -end fraud analytics.

- Does the organization have internal resources with the required knowledge and skills? If not, does the organization support hiring externally? Or willing to invest time and money to develop internal resources?

- Does the SIU team have access to data, technology, and software to support a Major Case Unit? If not, is the organization willing to invest today and into the future?

*Jessica Albano, CIFI, FCLS, SIU Unit Leader, Westfield Insurance*



## 2. How do you provide or sell ROI back to Claims in order to get their buy in?

Most companies have an analytical unit and I would start with having this unit run exposures on different targets that are currently under investigation in the industry. This information would be available by attending NICB meetings and networking with other SIU Investigators. I would run these exposure reports for a few months to see what type of losses the company is seeing and possibly even work a case through to show impact. It's not always about financial exposure but I believe that volume and deterrence is also key to a major case investigation. If an investigation can deter subjects from filing the claims with a company, that is also a victory.

*Brian A. Bilderback CIFI, FCLS; Sr. Investigator/Special Investigations, Erie Insurance*

It's very important to note that most claims units, management, and adjusters look at fraud matters from the individual claim perspective, and not from a bigger picture level. It's not until the totality of the group of impacted or involved claims is identified that you see the significant benefits possible in the Major Cases. It's often easy to measure the results of a Major Case that is taken to the level of a successful Affirmative Litigation, as you can calculate the direct recovery or award less your costs and payments made. What is often difficult to accurately measure is the deterrent effect that will often come with the Major Case efforts. A very appropriate primary goal of the investigation may be to "stop the bleeding". Most entities that are the subject of the MCU investigations thrive off of the "path of least resistance" concept when they perpetrate their fraud schemes. If they recognize that a carrier's investigation is focused on them, it doesn't take long for them to turn their interests to other carriers that are less aware of the scheme or not as willing to resist them. A simple



measurement for the deterrence factor is to identify your exposure with that particular subject, entity, or scheme prior to the MCU investigation and compare it to the exposure after the case. While not an exact measurement, if your company was billed \$500,000 by a subject provider the year prior to your successful investigation, and is billed \$0 in subsequent years, it's logical to say that there was some deterrence realized. Lastly, it is very important for the claims management to understand that if the subject of the investigation ultimately leaves your company alone, it will result in less claim count and less workload on the organization.

*Matt Gall, SIU Manager, COUNTRY Financial*

To successfully show ROI, I circle back to how SIU defines success at the end of the day. If you have an end in sight, then you can build the framework to demonstrate your successes and opportunities to improve. One key point to consider is it may take longer to demonstrate tangible and intangible ROI as these investigations tend to take longer than other SIU investigations. For example, if one of the goals of the Major Case Unit is to mitigate exposure of a medical provider then you may consider measuring the change in the medical billing behavior over a specific time frame.

A few key points to consider when utilizing ROI to secure buy-in with claims leadership:

- Communicate potential increase of litigation expenses or use of experts.
- Define how the ROI will be calculated to ensure consistency with data definitions/measurements established.
- Highlight your success stories (big or small) very early in the process. Leverage your internal resources such as a company's intranet and marketing team to elevate a communication plan.
- Capitalize any process improvements identified through major case investigations as ROI.

*Jessica Albano, CIFI, FCLS, SIU Unit Leader, Westfield Insurance*

### 3. How does analytics play into the creation of the unit?

Strong and knowledgeable analytics is crucial to the success of a Major Case Unit. There are many tools analyst have that can make a case powerful and difficult to defend for suspects who are under investigation. I believe that a Major Case Unit should have a dedicated analyst or two, depending on the size of the unit and volume of work. These analysts and the information they provide are often the starting point of a Major Case investigation and the information such as; link analysis can be used in prosecution or civil action.

*Brian A. Bilderback CIFI, FCLS; Sr. Investigator/Special Investigations, Erie Insurance*

A good analytics program is crucial to an MCU's success. If you do not have individuals and systems that can locate and compile the data, identifying the claims or exposure that is connected to the Major Case, you're missing some big pieces of the puzzle. You may defeat the purpose of a Major Case program and possibly

hurt your overall case investigation if you cannot identify all of your exposure. If during your Major Case investigation, you deny and defend some of the related claims, but other areas of the claims division are paying some other related claims that you were not even aware of, you open yourself up to problems. Fraud rings and related organized crime groups often thrive off of anonymity and misdirection. Having an adequate analytics program with robust link analysis tools and data access is key to putting these types of cases together in a format for prosecutors, judges, and juries to understand. It's not enough anymore to have the competent Major Case investigators on the ground to gather the investigative details and facts, you must have an analytics program to support the Major Case efforts.

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One can argue that analytics is a prerequisite to a successful Major Case Unit. The real driver of this question is how robust is the organization's analytics capabilities to support the needs of the major case unit. Just within the past few years, there is a shift to create analyst teams with data scientists, mathematicians, and IT resources. This is an indicator how the industry pivoted the role of the analyst from creating reports and identifying exposure to creating complex predictive models and conducting social networking analysis. Today's analyst teams must continuously find ways to leverage and execute intelligence as a strategic asset for these complex investigations.

*Jessica Albano, CIFI, FCLS, SIU Unit Leader, Westfield Insurance*

### 4. What are the organizational impacts of major case given the increased medical fraud trends?

Medical fraud is on the rise and the exposures that are impacting insurance companies are increasing with each bill that is submitted. It is important that we work with each other throughout the industry along with the National Insurance Crime Bureau to combat medical fraud from all levels. Companies are

now dedicating personnel to investigate medical fraud, and this includes: investigators, analysts, support staff and attorneys. Having such dedicated staff can impact the organization and Special Investigation Units as they become more specialized to focus on the specific issue of medical fraud. It is important to understand that medical fraud is not just targeting one line of business, company or state, it is an all-out free for all that is affecting all of us.

*Brian A. Bilderback CIFI, FCLS; Sr. Investigator/Special Investigations, Erie Insurance*



Fighting medical fraud on the bigger picture level, such as Major Case, will likely involve many areas of the claims division, and the organization as a whole. Because there are numerous areas and types of medical related fraud constantly emerging and evolving, subject matter experts in various medical disciplines will likely be needed to properly prepare a Major Case. Whether they are coders, chiropractors, surgeons, or statisticians, the arena of experts you may need can be very large. One of the significant decisions a carrier would have is whether the experts could or should be staffed in-house or simply hired as outside subject matter experts. Of course, that decision would greatly depend on how often you might take on a specific type of medical fraud Major Case and how often you would need the experts. The skillset for Major Case investigators working medical investigations can be quite different than other investigators and is something that should be considered when building an MCU. Lastly, successful communication and coordination of efforts is important for medical related investigations. You should have all injury related claims units aware of and on board with the investigation. It could be detrimental to the case to have one claim unit allowing certain subject treatments or charges, while other claim units are denying the same treatments and charges as not appropriate.

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When a company takes a strategic approach to combating medical fraud, it impacts technology, resources, and processes. One key area is how the major case investigation workflow may

disrupt the straight through claims handling process. With technology supporting no touch claims handling, there must be a safety net to allow for the identification and investigation of complex fraud investigations. Claims and SIU is constantly trying to balance combating medical provider fraud and providing exceptional customer service. In addition to impacting technology and processes, a major case unit provides growth and career development opportunities to the SIU team.

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Of all the great comments made herein, I think the common element that unites them all is that of communication. Communication with our Claim's partners, our IT and our senior leadership to better understand what the company hopes to achieve and having a clear picture of risk tolerance before we create the path. In order to be successful, in any space, it is imperative to have buy in and unity across the board. All sides should have input and some ownership of at least part of the process so as to be working towards the same goal. Creating these programs in a vacuum is likely a design flaw that can only lead to frustration. As such, in closing, I invite you all to continue the conversation moving forward, with your staff, your industry friends and leaders. After all, the business of making ourselves better is one that never closes.

#### Disclaimer

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