




President, HealthCare Insight



point of view

by Kathryn Peterson/Connect

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When it comes to fighting fraud, Barry Johnson walks the talk. He's been blowing the whistle on fraudulent providers, or as he calls them "people with larceny in their hearts," for the past 10 years.

Today, Johnson's philosophy to combine technology with clinical expertise has become his hallmark to managing health care costs for clients, and the key to HCI's tremendous success.

"Barry links software to people decisions, and he can convey that idea in a non-technical way, which is unique in and of itself," says Joseph White, chief accounting officer for Long Beach, Calif.-based Molina Healthcare, an HCI client.

dr. barry johnson

Connect: You practiced dentistry in the Midwest for 21 years. How did you get into medical fraud?

Barry Johnson: After going to dental school at Northwestern University, I practiced dentistry on the south side of Chicago. I finally said, "I don't want to do this anymore." I took a job with Medical Data Research, which merged with Med-Index to form Medicode. At Medicode, I gave coding seminars, wrote coding publications, and worked my way up to the director of marketing ... and now to president of the company.

Connect: What got you interested in medical fraud?

BJ: In Illinois, I was appointed to a panel to evaluate malpractice in the Medicaid environment. I couldn't believe what I saw.

There's a lot of opportunity for fraud in health care because the system is based on trust. The insurance companies, doctors and patients all assume things. If you take those assumptions and believe that everyone's being honest, then basically the system works. But if you take someone who has "larceny in their hearts" as I heard one attorney refer to it, they will see a system where many are not trustworthy. That's why the Russian Mafia wants to do medical fraud and not narcotics, because it's a system of trust, and they can exploit it.

Connect: Do you miss dentistry?

BJ: Not for one minute. I was a political science major at the University of Utah, so I had this whole side of me that was being unchallenged. It's been wonderful.

Connect: What are the most common types of medical fraud?

BJ: Unbundling is the biggest error in coding rules. It's a simple concept — do I charge you for a happy meal, or do I charge you for fries, a drink and a burger? Obviously, the fries, drink and burger cost more than a happy meal. The same goes for a hysterectomy. Does the payor charge for a hysterectomy, or separately for the removal of the uterus and other parts? Our software catches these types of coding errors, and then we have a medical expert analyze it.

Connect: The National Health Care Anti-Fraud Association says that fraudulent and overpriced claims in 2008 are projected to climb as high as \$240 billion. Why has medical fraud become so prevalent?

BJ: There was a huge FBI taskforce to stop medical fraud until Sept. 11, and then they took almost all of those people off to focus on terrorism.

Also, medical fraud is dynamic — you can't teach the model because it's always changing. If you don't actually examine what's going on in a claim, it's really hard to make the right decision. This is also why consumers must get involved in the process.

Connect: How can consumers detect fraud?

BJ: First of all, look at your claims. Don't just assume that your insurance company is right. People should look at their total charges and ask themselves, "How could that be \$500? I was only in there for five minutes." Look at the charges and the number of line items, and call up your insurance company and say, "I want to know what I paid for." They can tell you what was billed.

Connect: Which health care industries are most prone to fraud?

BJ: Chiropractic fraud is a huge problem, so much so that Canada completely cut it from its health care system. The next biggest area is the practice of dermatology. In dentistry, the most fraud is between periodontists and oral surgeons. In facilities, the biggest area of abuse is billing for miscellaneous items and ridiculous fees for appliances, like charging \$130,000 for a pacemaker.

Connect: Do you find yourself losing trust in the system?

BJ: I think that the system is hopelessly complex. The consumer has to get involved in this process if we're ever going to stop fraudulent providers. If you notify providers that they're doing those things, 75 percent will stop and modify their behavior. But there's about 5 percent of these people who are outright bad and won't stop.

Connect: What are you most proud of?

BJ: We've created an environment where a lot of exceptional people work. As a company, our biggest accomplishment is that we provide a unique service that is much more accurate in combating fraud.

Connect: What's in the future for HCI?

BJ: We were recently purchased by ISO, which is a large privately-held company in Jersey City, NJ. We were growing so rapidly that we couldn't fund our growth. ISO was in the property and casualty fraud industry, and wanted to move into the vertical of health care fraud. They appreciate how unique it is to have our group of talented, specialized people who understand systems and coding. It's rare to find that kind of talent. ■