



Department
of Health &
Social Care

DHSC Counter-Fraud Strategic Plan 2017 to 2020

January 2018

DHSC ID box
Title: DHSC Counter Fraud Strategic Plan 2017 to 2020
Author: Finance/DHSC Anti-Fraud Unit/14604
Document Purpose: Policy
Publication date: January 2018
Target audience: DHSC and all of Health Group, the NHS in England, professional medical bodies and associations.
Contact details: DHSC Anti-Fraud Unit, Finance Directorate, Department of Health and Social Care, Wellington House, 133-155 Waterloo Road, London, SE1 8UG. E: Mark.Richardson@dh.gsi.gov.uk T: 020 7972 1044

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

© Crown copyright 2016

Published to gov.uk, in PDF format only.

www.gov.uk/dhsc

Contents

Contents	3
1. Introduction	4
2. The scale and nature of healthcare fraud.....	5
3. Our objectives.....	6
4. An intelligence led strategy.....	7
5. A structure for delivery.....	9
6. Annual action plans	11

1. Introduction

The Government has made clear it will root out losses due to fraud and corruption wherever they occur, the NHS and healthcare in general is no exception to this. Not only is it simply unacceptable for people to deliberately defraud the system but it also undermines public confidence in the NHS.

Fraudulent activity takes taxpayers' money away from patient care to line the pockets of fraudsters. It means fewer resources are available to spend on frontline health services such as patient care, healthcare facilities, doctors, nurses and other staff. Ensuring that losses to fraud are minimised will enable us to maximise the resources we have available to provide patients and the public the highest quality, most compassionate health and care service in the world.

This Counter Fraud Strategy sets out the plan to tackle fraud across the healthcare system, defines our counter fraud priorities and recognises the need to evolve and work collaboratively across the entire healthcare sector and beyond. At the root of our strategy are four key work areas to support all of us in fighting fraud whatever our role in health: inform and involve; prevent and deter; investigate and sanction; continuously review and hold to account. This is all underpinned by the Department's accountability for strategic governance:



Fraudsters do not stand still and the Department, along with the wider health service, needs to remain vigilant to deal with new and emerging risks. This documents sets out a firm strategic foundation to achieve that over the coming years and I am delighted to endorse it.

Chris Wormald

Permanent Secretary of the Department of Health and Social Care

2. The scale and nature of healthcare fraud

- 2.1 The NHS in England employs around 1.2 million staff, and provides healthcare services to 1 million people every 36 hours in a range of clinical settings.
- 2.2 Fraudulent activity means that the money intended for the health service, and funded by the taxpayer, ends up in the pockets of those who are not legitimately entitled to it. Therefore, fewer resources are available to be spent on frontline health services such as patient care, healthcare facilities, doctors, nurses and other staff. For example, every false claim for a free prescription results in a financial loss to the NHS. This means more money must be raised from law-abiding members of the public.
- 2.3 Fraud is not randomly distributed. Fraudsters seek out weaknesses in controls and scrutiny, and take the opportunity to exploit these where they can. They do not recognise or respect organisational or geographical boundaries and they are ready, willing and able to adapt to the opportunities presented within an evolving health and care system. The fraudsters who seek to cause loss to one area of the health service often reappear in another. Our response to the fraud problem must therefore reflect the very nature of the fraud problem itself; it must be system wide, flexible and inclusive.
- 2.4 The risk of fraud extends to every transaction, contract and payment made across the Health Group. Clearly, the vast majority of activity is correct and honest. The good work undertaken so far has identified levels of fraud related losses in specific areas, but the full extent across the Health Group, while difficult to quantify, can only be estimated. For example, within the NHS in England, it is estimated that over £277m is lost each year as a result of patients incorrectly claiming an exemption from prescription fees. A further £120.7m is estimated to be lost due to dental contractors acting fraudulently and an additional £39.3m is estimated as lost to fraud by optical contractors. Clearly, these three examples are not the only areas of financial loss due to fraud. It is estimated that further fraud losses in the region of £813m may exist which could add up to a possible estimated total loss of up to £1.25bn.
- 2.5 Combating these losses is essential to the success of an effective health and social care system. However, the breadth and unknown quantity of fraud makes this challenging. It is, therefore, essential the public have full confidence in the ability of the Health Group to prevent, identify and investigate all categories of fraud where they exist and to share that knowledge with all partner organisations.

3. Our objectives

- 3.1 The primary aim of our strategy must be, wherever possible, to prevent fraud from occurring in the healthcare system in the first place and all objectives flowing from this are predicated on this basis:
1. Establish a coherent, intelligence led approach to enable the identification, prioritisation and management of fraud risk, with an increased emphasis on permanently preventing future loss through the production of an annual strategic intelligence assessment looking at fraud risks across the whole Health Group.
 2. In partnership with the wider NHS in England, deliver a comprehensive programme of fraud prevention, deterrence and enforcement activities in the highest risk areas identified by the strategic intelligence assessment.
 3. Establish the NHS Counter Fraud Authority (NHSCFA) special health authority (SpHA). The NHSCFA will align with the Department of Health and Social Care (DHSC) counter fraud strategy, vision, and strategic plans and act as the principal lead for counter fraud activity affecting the NHS in England.
 4. Embed the production of a NHSCFA annual work plan to tackle the most important fraud risks and enable the NHSCFA to be held to account.
 5. Undertake a proactive programme of work to facilitate appropriate access to data held across the NHS to enable smarter, innovative analysis and identification of patterns and trends of fraudulent behaviour and detection of fraudulent activity.
 6. Raise the standard of counter fraud activity across the Health Group by sharing benchmarking data on performance against established standards and holding to account those responsible for action.
 7. Develop a mechanism whereby a proportion of recovered money, following criminal or civil proceedings, will be reinvested into counter fraud work on a project to be determined by the key stakeholders responsible for implementation of this strategy.
 8. Embed a collaborative approach between DHSC, NHS England, NHSCFA, Cabinet Office and all key stakeholders, ensuring the appropriate range of technical skills, training and experience to implement the full range of counter fraud activities.

4. An intelligence led strategy

4.1 The assessment of intelligence enables national prioritisation of actions both in terms of key fraud risks and in terms of how risks are tackled against established standards. Four key work areas are at the route of this strategy:

- **Inform and Involve** – ensuring a high level of counter fraud awareness and identification and ownership of fraud risks across the Health Group and stakeholders. It is also vital to have wider public engagement and support for this work. We will work to continue to change the culture and perceptions of fraud so it is not tolerated at any level. Working relationships with stakeholders will be strengthened and maintained through active engagement. Proactively publicise the dangers of fraud and our success in tackling it. **Actions 1, 3, and 7 of the 2017-18 Strategic Action Plan (Annex A) will contribute to achieving this ambition.**
- **Prevent and Deter** – working collaboratively to develop policy solutions at the earliest possible development stage and undertaking urgent policy interventions when a problem is identified. Preventing and deterring crime across the Health Group reduces the opportunity for fraud to occur or to re-occur, and will discourage those individuals who may be tempted to commit fraud. Finding a permanent solution to eradicate identified areas of fraud and emerging risks is more effective than detection and punishment. Those individuals who are not deterred should be prevented from committing fraud by robust systems, which will be put in place in line with policy, standards and guidance. The Department of Health and Social Care's Anti-Fraud Unit (DHSC AFU) will coordinate the national response to the problem and hold Health Group to account. **Actions 3, 5 and 8 of the 2017-18 Strategic Action Plan (Annex A) will contribute to achieving this ambition.**
- **Investigate & sanction** – thoroughly, and to the highest professional standards, investigate allegations of fraud and where appropriate, seek the full range of civil, criminal and disciplinary sanctions. Those who have committed fraud against the health service will be identified, prosecuted where appropriate and redress for losses will be sought. Redress will be pursued by restraining assets and enforcing recovery through the relevant legal channels in partnership with the police and other crime prevention agencies as appropriate. **Actions 3, 4, 5 and 8 of the 2017-18 Strategic Action Plan (Annex A) will contribute to achieving this ambition.**
- **Continuously review & hold to account** - fraud does not stand still and continuous re-evaluation and improvement is needed. Where this does not

take place, or where there is reticence to do so, then organisations must be held to account for their inaction. It is important that we evaluate progress in tackling fraud to ensure that we are ahead of the evolving fraud problem. The nature of fraud, as an often hidden or silent crime, can make this evaluation challenging. We must also be mindful that fraud cannot simply be perceived in terms of the financial loss but also in terms of harm to the organisation, its reputation and its patients in ways that cannot be measured in financial terms. **Actions 3 and 6 of the 2017-18 Strategic Action Plan (Annex A) will contribute to achieving this ambition.**

5. A structure for delivery

- 5.1 The Department of Health and Social Care will set the direction and pace of the Health Group's counter fraud work and will be accountable for its implementation and evaluation. Relevant DHSC policy units will support delivery of actions against each fraud risk. This anti-fraud work will align with the DHSC "3 dimensions" strategy for dealing with Arms Length Bodies (ALBs) in the future:
- **Accountability:** supporting ministers to hold ALBs to account and ensuring that ALBs are accountable through their boards. DHSC has a direct interest in ensuring that the government's priorities are met, and has a challenge role to ensure that ALBs, and in particular the NHSCFA, are building their internal capability and organisational effectiveness.
 - **Convening:** using the Department's convening power to align strategies and plans across the health care system. This means looking beyond short-term issues and bringing together those with a shared concern about the future to explore how to tackle challenges or exploit opportunities.
 - **Working together:** to deliver a shared outcome: this includes forming joint programmes, projects and programmes with shared teams with accountability.

The role of the DHSC Anti-Fraud Unit

- 5.2 The DHSC AFU will provide a support and co-ordinating role in the development and delivery of counter fraud work and will hold to account those responsible for actions. The DHSC AFU investigates allegations of fraud and corruption in both the Department and its ALBs where the health service is not affected. The DHSC AFU also seeks to ensure fraud prevention is built in to DHSC policy development at the earliest possible stage and promotes awareness of fraud risks across Health Group.
- 5.3 As part of the wider cross Government counter fraud agenda, the DHSC AFU engages with the Cabinet Office and other Government Departments at a strategic level to prevent and deter fraud. The DHSC AFU is also the sponsor branch for the NHSCFA, the organisation that tackles fraud and corruption in the NHS.

The role of NHS England and NHS Commissioners

- 5.4 Within the framework of the overall anti-fraud work directed by DHSC, NHS England and NHS Commissioners will be responsible for implementing the required activities. Having due regard for the NHSCFA Standards for Commissioners: Fraud, Bribery and Corruption.
- 5.5 NHS England will investigate allegations of fraud against NHS England and its constituent parts, NHS Commissioners will investigate where they have suffered a loss, unless these fall within the remit of NHSCFA. Each Commissioner will have an appropriate programme of proactive counter fraud work to address its own fraud risks.

NHS Commissioners will have appropriate anti-fraud measures in place when contracting with providers of NHS services.

The role of the providers of NHS Services

- 5.6 Providers of NHS services will comply with the requirements of the NHS standard contract, where applicable. They will assist NHS England and NHSCFA in the implementation of actions arising from the centrally determined approach and action plans, including the provision of information and data to enable effective counter fraud work to be undertaken.
- 5.7 NHS providers will undertake prevention and deterrence activity, along with investigation and sanction activity, locally as per the requirements of the NHSCFA Standards for Providers: Fraud, Bribery and Corruption.

The role of the NHS Counter Fraud Authority (NHSCFA)

- 5.8 The NHSCFA will be the single expert intelligence-led organisation providing centralised intelligence, investigation and solutions capacity for tackling fraud, bribery and corruption in the NHS in England. The NHSCFA will act as the repository for all information related to fraud in the NHS and the wider health group, and will have oversight of and monitor counter fraud work across the NHS. They will provide strategic and tactical solutions to identified fraud risks, counter fraud standards and assessment of performance through the provision of comparative data. Working together with our stakeholders, NHSCFA will drive improvement to counter fraud work that is undertaken across the NHS
- 5.9 The NHSCFA will work collaboratively across the NHS, DHSC and other ALBs to obtain better information and intelligence on the types of fraud the Health Group is exposed to and assist in putting in place effective measures to better prevent, deter and investigate fraud. The NHSCFA will also be better equipped to provide valuable information to the Health Group on weaknesses and risks that can expose us to serious financial loss.

6. Annual action plans

- 6.1 To deliver this strategic plan by 2020, an annual high level action plan will be developed following production of the annual strategic intelligence assessment.
- 6.2 Evaluation of this strategy against the action plan will be undertaken by the DHSC AFU on a quarterly basis by reviewing progress against the action plan and operational progress against stakeholder operational action plans. A formal annual review will take place which will determine the high level action plan and priorities for the following year.
- 6.3 With the agreement of the DHSC AFU, the action plan may be reprioritised and adjusted during the year to take account of new, emerging or revised risks, trends and priorities as long as the revisions are in support of the overall vision and strategy.
- 6.4 The first action plan for 2017-18 is attached as Annex A.

Strategic Action Plan 2017-18

Objective 1: Embed a collaborative approach between DHSC, NHS England, NHSCFA, Cabinet Office and all key stakeholders, ensuring the appropriate range of technical skills, training and experience to implement the full range of anti-fraud activities.

Action 1: Establish stakeholder operational action plans focusing on specific priority areas.

High level milestones and indicative timeline

- a) NHS – European Health Insurance Card (EHIC) and optical fraud (April 2018).
- b) Implementation to enable improved intelligence picture in future SIA (Ongoing 2016/17).

Responsibility (engaged parties)

- a) NHSCFA led with support from DHSC AFU and NHS England.
- b) NHSCFA led.

Action 2: Establish the new NHSCFA special health authority.

High level milestones and indicative timeline

- a) DHSC led discussions with NHS BSA and other appropriate organisations (Nov 2017).

Responsibility (engaged parties)

DHSC led.

Action 3: Actively engage with Cabinet Office Counter Fraud Profession development and develop a programme to adopt the resulting standards of excellence.

High level milestones and indicative timeline

- a) Contribute to the Cabinet Office workstreams to in development of each set of standards (Ongoing).
- b) Develop a plan to implement the standards within NHSCFA and DHSC (April 2018 onwards).

Responsibility (engaged parties)

- a) DHSC led with support provided by NHSCFA.
- b) DHSC and NHSCFA to develop their respective plans for implementation in their respective bodies.

Action 4: Develop a mechanism whereby a proportion of recovered money following criminal or civil proceedings will be reinvested into anti-fraud prevention work on a

project to be determined by the key stakeholders responsible for implementation of this strategy.

High level milestones and indicative timeline

- a) Discuss and gain agreement of key principles, governance arrangements and processes with key stakeholders (April 2018).
- b) Establish mechanisms to identify and retain funding (April 2018).
- c) Establish potential projects and work up outline business case proposals (April 2018).
- d) Implement process (April 2018).

Responsibility (engaged parties)

All actions DHSC led in collaboration with NHS England and NHSCFA.

Objective 2: Identify barriers to implementing an intelligence led approach to minimise fraud activity and risks across the Health Group and develop and implement solutions to resolve them.

Action 5: Undertake a proactive programme of work to identify access to data held across the NHS to enable smarter, innovative analysis and identification of patterns and trends of fraudulent behaviour and detection of fraudulent activity.

High level milestones and indicative timeline

- a) Establish legal and policy principles to enable NHSCFA to undertake their legal duties and bodies to disclose appropriate data (April 2018).
- b) Establish a stakeholder engagement process to understand operational concerns and develop solutions (April 2018).

Responsibility (engaged parties)

All actions DHSC AFU led with NHSCFA and other stakeholders as required.

Objective 3: Establish a coherent, intelligence led approach to enable the identification, prioritisation and management of both existing incidences and potential risks of fraud and other financial loss, with an increased emphasis on permanently preventing future loss through the production of an annual strategic intelligence assessment covering the whole Health Group.

Action 6: We will measure the standard of anti-fraud activity across Health Group and share benchmarking data on performance against established standards, holding to account those responsible for action and drive improvement in counter fraud work.

High level milestones and indicative timeline

- a) Provide an annual report on national performance against anti-fraud standards across NHS organisations (Dec 2018).
- b) Provide reliable sector specific benchmarking information for NHS organisations to use to deliver ongoing improvement to counter fraud work delivered in the NHS Produce analysis on performance improvement to counter fraud work in specific priority areas on an annual basis (Dec 2018).

Responsibility (engaged parties)

All actions NHSCFA led.

Action 7: We will have a more complete assessment of the remaining key risks of fraud across the health care systems in England and have a high level of confidence in those findings.

High level milestones and indicative timeline

- a) Production of an annual independent Strategic Intelligence Assessment (SIA) (March 2018).
- b) Development and implementation of a stakeholder engagement programme with policy and process owners to explore identified risks and ensure all available intelligence sources are used to refine the SIA ahead of future publication (April 2018).

Responsibility (engaged parties)

- a) NHSCFA led.
- b) DHSC AFU and NHS England (with NHSCFA support).

Objective 4: Embed the production of an annual work plan to tackle the most prevalent fraud risks.

Action 8: Achieved significant reductions in prescription fraud.

High level milestones and indicative timeline

- a) Explore possible options to develop real time checking functionality (April 2018)
- b) Continue to support the existing Prescription Exemption Checking Service (PECS) (Ongoing).

Responsibility (engaged parties)

All actions are for DHSC AFU/DHSC/NHS England.