

N E W S L I N E

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DWC Posts RAND Report on Recommendations for Fraud Prevention in the Workers' Compensation System

Oakland—The Division of Workers' Compensation (DWC) [posted a report](#) on recommendations to prevent fraud in the workers' compensation system, issued by the RAND Corporation.

DIR last year requested that the RAND Corporation assess medical provider fraud in the California workers' compensation system and propose a set of comprehensive and strategic policy recommendations. The report describes the challenges and issues related to provider fraud in the workers' compensation system and recommends changes to existing practices to achieve specific anti-fraud goals. Three key recommended measures include:

- The detection of fraudulent providers through the use of advanced analytics.
- Keeping post-employment medical treatment claims under the employer's control.
- Suspending lien claims for suspected fraud providers.

Since the beginning of this year when anti-fraud bills [SB 1160](#) and [AB 1244](#) went into effect, more than 285,000 liens worth a combined claim value of more than \$1 billion have been stayed. The liens are associated with 121 medical providers being prosecuted for fraud-related crimes. DIR has also started the process of consolidating and dismissing the liens of providers who have been suspended from the workers' compensation system due to criminal convictions.

DIR has posted information on its [fraud prevention efforts](#) online, including information on [suspended medical providers](#). Providers are suspended when they have been convicted of fraud-related crimes, have been suspended from the Medicare or Medicaid programs due to fraud or abuse, or have lost their professional license.

DIR protects and improves the health, safety and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR's Division of Workers' Compensation monitors the administration of workers' compensation claims

and provides administrative and judicial services to assist in resolving disputes that arise in connection with claims for workers' compensation benefits.

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The [California Department of Industrial Relations](#), established in 1927, protects and improves the health, safety, and economic well-being of over 18 million wage earners, and helps their employers comply with state labor laws. DIR is housed within the [Labor & Workforce Development Agency](#). For general inquiries, contact DIR's Communications Call Center at 844-LABOR-DIR (844-522-6734) for help in locating the appropriate [division or program](#) in our department.