

## **RESTRICTED – EHFCN POLICY**

From: European Healthcare Fraud and  
Corruption Network

Date: 31 January 2007

### **COMMISSION OF THE EUROPEAN COMMUNITIES CONSULTATION REGARDING COMMUNITY ACTION ON HEALTH SERVICES**

#### **Introduction:**

This response is on behalf of the European Healthcare Fraud and Corruption Network (EHFCN).

The EHFCN was formally established to coordinate and advance work to counter healthcare fraud and corruption. It is a not-for-profit organisation, based in Brussels and financed through subscription fees. It is the only organisation dedicated to tackling healthcare fraud and corruption across Europe. This work marks the beginning of an essential and unique working relationship between countries which will lead to real progress in tackling healthcare fraud and corruption.

One of the aims of the EHFCN is to work together to fraud proof European healthcare systems to make them more efficient. Our intention is indeed to bring together and reinforce cooperation between Member States through various institutions. (Our membership currently consists of 16 countries and 24 different institutions).

We agree that high quality health services are a priority issue for European citizens and that cooperation between Member States is essential in providing safe, high quality and efficient health services. These principles reflect the remit of the EHFCN, which has been set up to protect patient care across Europe.

Across Europe, resources made available for the provision of healthcare services are being lost to fraud and corruption mainly due to inefficiencies within healthcare systems. European countries spend in excess of €1 trillion on healthcare fraud per annum. Utilising risk measurement figures, which represent the lowest percentage losses that the NHS Counter Fraud and Security Management Service (CFSMS) has discovered in the National Health Service in England and Wales (3-10%), the potential losses to fraud and corruption could be at least €30-100 billion across Europe.

#### **EHFCN Comments on Consultation:**

**Q1. What is the current impact (local, regional, national) of cross-border healthcare on accessibility, quality and financial sustainability of healthcare systems, and how might this evolve?**

As you have already mentioned in your Communication from the Commission text, the current volume of patient mobility across Europe is relatively low. You have stated that one of reasons for this is a lack of information about healthcare possibilities in other Member States and the lack of a transparent framework.

Whilst the EHFCN welcomes increased mobility of patient care across Europe it also acknowledges that fraud and corruption does not respect boundaries, nor is it limited to one or two of our countries. With the expansion of the EU to 25 states and new countries set to enter in the future, a huge growth in the healthcare industry is expected over the next few years.

The problem of fraud and corruption is likely to grow with EU enlargement and increased free movement of people, money, rights of establishment and rights to provide service. With expansion comes a greater freedom for EU citizens to live and work in other EU Member States. Although this is a positive step for a better, more productive Europe, it also means an increased risk from healthcare fraud. Whether they are individuals or organised crime cartels, fraudsters will be able to duplicate their crimes throughout the EU due to the unrestricted passage from state to state of people, capital and the provision of services. It is important that the EU realises that healthcare fraud is a cross border problem.

Our goal at the EHFCN is to provide all information necessary for easier patient mobility and more transparent processes and frameworks also to lessen the opportunity for corrupt activities. The EHFCN forms an essential, practical working relationship between countries that could lead to real progress in tackling healthcare fraud and corruption. It is essential that European organisations form strong relationships and networks to enable them to deal with potential increases in cross-border fraud and corruption by exchanging information on current problems and solutions. Joint working will ensure that all healthcare systems within Europe have the best strategies for tackling healthcare fraud and corruption available to them and also to increase cooperation among EU countries on all levels.

**Q2. What specific legal clarification and what practical information is required by whom (e.g. authorities, purchasers, providers, patients) to enable safe, high-quality and efficient cross-border healthcare?**

You state that cross-border healthcare has often encountered problems due to incompatible rules between the countries concerned and the lack of a transparent legal framework and European structure for cooperation. You also mention that existing provisions on the protection of individuals with regard to the processing of personal data and on the free movement of such health data may not be sufficient in the health sector.

One of the areas where the EHFCN has encountered problems is around the exchange of sensitive information and data protection.

The EHFCN has a secure Members only area on its website to facilitate communication between those working to counter fraud and corruption across Europe. The site allows members to upload and share information and discuss relevant issues affecting all those working in healthcare fraud and corruption. Fraud and corruption warnings which allow members to send and receive alerts concerning corrupt and fraudulent activity throughout the EHFCN - are a particularly valuable area to the site. Through such exchange of information we are able to obtain information on various health institutions in EU countries, their healthcare systems, legal provisions, etc.

At the present time, however, all information exchanged has to be of a general nature and we are unable to exchange information about specific patients or professionals who have committed fraud. For example if we are aware that a dentist has committed fraud in the Spain and is headed to France we are currently unable to identify share any personal or specific

information that may assist France in identifying the fraudster when he arrives in their country. We are currently seeking legal clarification on the data protection implications of this matter and are undertaking research into how data protection law can be used to ensure that access to essential information is not denied when countering healthcare fraud and corruption. A more open and specific exchange of information is essential to combat healthcare fraud and corruption and hence control costs and improve efficiency.

We would like to share with you the systems that we currently have in place for ensuring the sharing of practical information to our Members across Europe.

The secure web-site mentioned above includes a database which contains information about the legal provisions that exist in 15 member states in relation to detection, investigation, sanction and the redress of fraud. This will assist policy (law) makers who do not currently have a solution to tackle this problem to search for best practice when drafting new legislations. It is our intention to extend this database to include other Council of Europe Member States and eventually the USA and Canada.

The EHFCN has also developed a Legislation Library - an interactive research tool available on the secure extranet containing relevant legislation on healthcare fraud and corruption across Europe.

It has been our aim to have as much as possible information on healthcare systems and legal provisions in Member States with a view to ultimately creating easier and more transparent patient mobility.

**Q8. In what ways should European action help support the health systems of the Member States and the different actors within them? Are there areas not identified above?**

You list the challenges posed to all consumers by more complex and sophisticated modern markets that allow more choice, but also bring greater risks including crime.

In relation to healthcare fraud and corruption, the challenges and potential set backs are great and need to be carefully considered. Healthcare throughout Europe is a huge market and a multi-billion Euro industry. All European member states invest between 3% and 19% of their gross domestic product in healthcare every year.

You point out how coordinated action such as European networks between all Member States can bring added value to national health systems. In particular, we feel that European action should support the health systems of the Member States and the different actors within them. This would be achieved by forming links and networks to enable them to deal with potential increases in cross-border fraud and corruption by exchanging information on current problems and solutions, and building strong contacts between all member states.

You specifically bring up that establishing European networking would help to provide high quality and cost effective care, thus bringing benefits to both patients and healthcare systems. This is also the EHFCN's aim, by increasing transparency, increasing patient mobility, and decreasing possibilities for corruption and fraud in healthcare.

## **Conclusion**

The EHFCN agree that the key to sustainability for healthcare systems is controlling costs and improving efficiency, alongside prevention and health promotion measures. It is largely the current inefficiency within healthcare sectors that leads to the loss of billions of euros to fraud and corruption across Europe.

We agree that high quality health services are a priority issue for European citizens and that cooperation between Member States is essential in providing safe, high quality and efficient health services.

The EHFCN would welcome the opportunity to cooperate with the High Level Group of the European Commission on some of the issues raised in your consultation report that would bring greater quality in healthcare sectors across Europe.

Please, feel free to contact us at either:

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