

# Footwear fraud

*Orthotic claims are booming. Are your employees getting any benefit out of these products, or is your plan simply lining the pockets of unethical suppliers?*

**By Kathryn Dorrell**

FOOT AND GAIT PROBLEMS ARE ON THEIR WAY TO REACHING epidemic proportions. Sound alarmist? Well, this appears to be the case for employees who have coverage for orthopedic shoes and orthotics.

In 2000, Manulife Financial reimbursed \$14.6 million for orthotic claims alone—up \$4 million over 1999. David Bisch, the insurer's manager of investigation services in Waterloo, Ont., says the numbers are still climbing.

The surge began about four or five years ago. Some of the growth is attributable to our aging population that has a greater need for corrective footwear to address back and joint problems as well as an increased focus on prevention in healthcare, says Revyl Smith of

Orthostep Technologies in Woodbridge, Ont.

The bulk of the increase is unwarranted though. In fact, too many employees are receiving products that offer no health benefits whatsoever, while employers and insurers foot the bill.

## ETHICAL ISSUES

Smith and Bisch say an abuse of new technology and unscrupulous suppliers are to blame for the spike in claims and the fraud that has ensued. When computerized assessment technology became widely available, a slew of suppliers (many unreputable) began encouraging employees to have their gait reviewed. Some product manufacturers actually went into the workplace peddling their wares.

"Suddenly everyone needed orthotics and they were easy to get," says Smith. The big problem is that, too often, employees are sold generic products that don't do any good and can be handed over to relatives and friends for their use.

"The players in the industry are not all above-board," says Smith. Bisch adds that employees have been encouraged to purchase products based on coverage and not medical necessity. Some even receive claims before they get the product.

Healthcare professionals are also partly to blame.

Patients have been handed prescriptions without having their gait assessed—a practice that violates physicians' code of conduct.

Still, most of the abuse is due to the fact that medical suppliers in the field are largely unregulated. This needs to change. "The footcare industry is starting to market itself more and make more comfortable and attractive products that people actually want to wear," says Bisch. "They are very aware of the level of benefits coverage that employees have. We can audit claims to no end but it is difficult to prove intent."

## LEGITIMATE NEED

Fraud stories cast a shadow on the legitimate health benefits that customized orthotics and orthopedic shoes can offer, which include prevention of back and joint ailments that are costly to treat and can lead to disability.

Imma Monardo, manager of pensions and benefits with Federal Express in Mississauga, Ont., says orthotic coverage has helped her plan from incurring greater medical expenses. "Because of the industry we are in, our employees are constantly on their feet. We feel this [benefit] is an investment, as opposed to having employees go off on leave."

Last June, FedEx increased its coverage to \$500 from \$300 every two years. It made the move after a survey revealed members thought the orthopedic benefit was not sufficient. Monardo is confident the majority of claims are valid. But Bisch says lucrative coverage leaves plans susceptible to fraud.

Despite the value of this benefit, orthotic/ orthopedic coverage is an area sponsors should keep an eye on. All organizations can encourage employees to seek an assessment with a healthcare provider they know and trust. The plan should specify that members need a doctor's prescription for a customized orthotic and only reimburse members for this type of product. "This way no one else can use it," says Bisch.

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