11:16-6.5 Training program and manual for the prevention and detection of fraud

(a) Except for automobile insurers that insure fewer than 2,500 New Jersey automobile policies and health insurers that insure fewer than 10,000 lives, the plan shall provide anti-fraud education for SIU investigators, SIU specialists, claims adjusters and underwriters that shall include a detailed and comprehensive program of insurance fraud awareness and education to prepare claims adjusting and underwriting personnel for insurance fraud prevention and detection.

1. The training program, which shall include Basic Entry level Training and Continuing Education Training for all adjusters, claims processors, underwriters, SIU investigators and SIU specialists, shall be submitted to and approved by the Department by August 5, 2000. The instructions format may be classroom instruction, self-guided instruction, videotape, seminar, computer based or by any other means.

2. The training programs referred to in (a)1 above shall be provided as follows:

i. In the case of automobile insurers, training shall include, but no be limited to, the following areas as appropriate: automobile theft investigations, automobile property damage and fire investigations, personal injury protection investigations, bodily injury liability claim investigation, statutory requirements for fraud referrals, techniques for the identification of fraudulent applications for coverage, insurance rate making practices, tier rating plans used by the insurer, PIP medical expense benefits and medical treatment protocols and precertification plans, and current indicators of fraud.

ii. In the case of health insurers, training shall include, but not be limited to, the following areas as appropriate: overcharging and overpayment detection, claims processing guidelines, medical coding, duplicate bills, excessive charges, unnecessary services or supplies, over-utilization, services never rendered, miscoded or misleading claim information, hospital inpatient or outpatient billing abuse or inappropriate commitment or confinement, abusive or fraudulent referrals, statutory requirements dealing with fraud referrals, techniques for the identification of fraudulent applications for coverage, the type, methods of service and operating procedures of various health insurers, and current indicators of fraud.

iii. The Basic Entry Level Training shall be no less than nine hours of classroom instruction. The Continuing Education Training shall be no less than nine hours of training per year for SIU personnel and four hours per year for claims and underwriting personnel. Basic Entry Level training shall be given to all employees within 180 days from the commencement of their employment at each of these positions: underwriters, adjusters, claims processors, SIU investigators, or SIU specialists. The four hour continuous education training provided to non-SIU personnel shall emphasize the responsibility of all employees to identify and report indications of internal and external fraud to the proper authority. Persons currently employed in these positions as of February 7, 2000 shall be exempt from entry level training requirements.
(b) Except for insurers which insurer fewer than 2,500 New Jersey automobile policies, or health insurers fewer than 10,000 lives, the plan shall provide a Fraud Prevention and Detection Procedures Manual and disseminate it to, or make it available to, as appropriate, all SIU, claims adjusters, and underwriting personnel. The Fraud Prevention and Detection Procedures Manual shall include, at a minimum, the following:

1. Information for claims adjusters, underwriting personnel, SIU investigators and SIU specialists regarding general investigation guidelines; unfair claims practices; conducting interviews; report writing; information disclosure; law enforcement relations; and the New Jersey Insurance Fraud Prevention Act;

2. The process to be employed for reporting to OIFP when specific facts and circumstances are identified, in connection with a claim or application, which upon further SIU investigation leads to a reasonable conclusion that a violation of N.J.S.A. 17:33A-4 has occurred;

3. For automobile insurers, the "fraud indicators" used for automobile theft, automobile physical damage fraud, personal injury claims fraud, bodily injury claims fraud, and application fraud;

4. For health insurers, "fraud factors" or "indicators" for health fraud, application fraud, and claims fraud;

5. The duties and functions of the SIU;

6. The procedure for referral of a claim or application to the SIU;

7. The post-referral procedure for communication between the claims unit and/or the underwriting unit and the SIU; and

8. An update page indicating that the manual has been updated and kept current.