

Inside Job: 6 surprisingly simple ways your employees may be stealing from you (and how to protect your practice)

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By Jay A. Shorr, BA, MBM-C, MAACS-AH, CAC I, II, III

A medical practice is no different from any other business when it comes to risk of fraud and embezzlement. Theft—whether of time, money, or goods—happens, and it happens often. Think your practice isn't at risk? Think again: In most cases, there needs to be three reasons to steal.

1) Rationalization

- Your employee sees you as the “rich doctor,” and feels underpaid.
- Your employee feels mistreated or wants revenge for a poor performance review.
- Your employee thinks you are dishonest, and feels entitled to do the same.

2) Motive

- Your employee wants to damage your reputation or was sexually harassed.
- Your employee may be in severe debt or have a drug/alcohol addiction.
- Your employee wants to “keep up with the Joneses.”

3) Opportunity for Theft

- You do not have a zero-tolerance policy.
- Other employees have not been punished or prosecuted.
- There is no inventory control.

Here are six surprisingly simple scams your employees may be running and tips on how to catch them red-handed:

1 THE TIME BANDIT

You don't always know if your employees are doing their job or using compensated time to conduct personal or outside business. Theft of time includes texting, personal phone calls, and frequent or excessive smoke breaks. This can occur while you are busy seeing patients and/or in the operating room. Such in-house personal days can cost lots in lost productivity and stalled efficiency.

To catch a thief: A biometric time clocking system (fingerprint monitor) eliminates the opportunity for an employee to clock in via a computerized time-management system. Invest in one.

2 THE PICKPOCKET

There have been cases where patients' personal belongings have been stolen from the examining room while they underwent procedures. The physician entered the exam room, performed the initial consult, and left the room to see



another patient. Meanwhile, the staff prepares the patient for the procedure by placing goggles over their eyes and then rummages through their purses.

To catch a thief: You can provide lockers for your patients' personal possessions, but this might be a red flag to your clients. Better bet: Be aware of the possibility, and exercise caution when and where you can.

3 THE BOTOX BURGLAR

The same person ordering the supplies may be the same one counting the inventory, verifying the order is correct ... when it isn't. The employee steals the inventory and uses it personally or resells.

To catch a thief: Invest in a proper inventory-management control program. Also, it's good counsel not to have the same person ordering and receiving products.

4 THE SKIMMER

A physician extender injects a patient with a lesser amount than recorded, and pockets the difference to use personally or treat a patient on the side. Or he/she treats a patient and collects for the treatment in the exam room, and then writes it up as something less expensive and keeps the difference. (Many times, the patient is in on the scheme.)

To catch a thief: Check the procedure or route sheet against what was scheduled, and keep an eye out for excessive variances.

5 THE CASH AND CARRIER

A patient pays cash, and the employee deletes the transaction and steals the cash. The daily transaction/cash/collections report will be accurate since the initial transaction was deleted, and so was the cash.

To catch a thief: Run a deletion report on a regular basis, and check it against the check-in log and the patient's medical chart. Ensure even a zero-revenue patient is recorded as a non-revenue patient. This will raise a red flag if a procedure was scheduled and no revenue was reported.

6 THE REWARDS POINTS JUNKIE

Sometimes a patient will pay in cash, and the employee puts the purchase on his/her personal credit card to get rewards points. Although no actual difference in the gross receipts took place, the practice has to pay the credit card merchant discount fee.

To catch a thief: Run an audit of the credit card receipts, and look to see if duplicate truncated account numbers appear. (Tip: since only the last four numbers of the card appear, you can manually scan many receipts in only a matter of seconds.)

Jay A. Shorr, BA, MBM-C, MAACS-AH, CAC I, II, III, is the founder and managing partner of The Best Medical Business Solutions, based in Fort Lauderdale and Orlando, Fla. He can be reached via PSPeditor@nullallied360.com.

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