



Scams for Obtaining Medicare Numbers

With so many possible uses of Medicare ID numbers as well as the related Social Security number, a variety of scams have been developed that directly target Medicare beneficiaries in an attempt to obtain and use their Medicare number for fraudulent purposes.

- Sometimes the Medicare number is simply stolen by an employee at a nursing home, long-term care facility, hospital, clinic, etc. and then sold to organized crime units or gang leaders who then use the information to bill Medicare.
- In other cases, perpetrators provide an offer for “free services” but require the person’s Medicare number to provide those services.
- In some instances, scam artists target financially needy individuals and offer to pay them for their Medicare number or pay them to actually receive services they don’t need.

The Milk/Grocery Scheme

In this scheme, the promoter of the scam may be offering free milk, groceries, or some other product or service. Regardless of the specific product being offered, any scheme following this general process is referred to as a Milk/Grocery Scheme.

- Promoter visits adult living facilities, senior communities, or government program offices and identifies specific individuals.
- Promoter approaches the consumers and tells them that Medicare, Medicaid, or a private insurance company wants to take care of them or is conducting a provider survey.
- Promoter gives consumers milk and/or food, cleans their homes, or delivers various equipment and tells the consumers that everything is free and provided by the government or a health insurance company.
- Promoter asks consumers to complete and sign a form proving they were visited. The form asks for Medicare and/or Medicaid numbers.

- Promoter leaves name and number and guarantees to return to bring more free items. Promoter also solicits names of other potential targets.

Free Medical Evaluations/Testing

The Free Medical Evaluations/Testing Scheme is similar to the previous scheme, except that in this case, free medical tests or evaluations are offered.

- Companies use phone solicitation, ads in newspapers, and coupons mailed or delivered to consumer's home to advertise free testing or services.
- Mobile Testing centers frequent shopping malls, retirement communities, fraternal organizations, civic groups, and conventions.
- Consumer is asked to complete a form to receive free tests. The form asks for Medicare, Medicaid, SSN, or insurance numbers.

Telemarketing/Boiler Room Scams

In Telemarketer/Boiler Room Scams, the telephone is used to obtain Medicare numbers.

- Telemarketing companies identify specific targets through mailing lists and contacts consumers.
- Caller uses a high-pressure sales pitch to obtain Medicare, Medicaid, SSN, or private insurance information. Sales pitch deliberately confuses people into believing the caller represents the government or private insurers.

\$299, \$389 or \$399 Scams

In these types of scams, Medicare numbers are not the only goal. The scammers also obtain the beneficiary's bank account information and use it to take as much money as possible directly from the beneficiary.

- Telemarketers/individuals identify themselves as a Prescription Drug Plan.
- Caller offers a Prescription Drug Plan that will provide a year's supply of prescription drugs for one payment of \$299, \$389, or \$399.
- The beneficiary is told payment can only be made by automatic withdrawal. The beneficiary is asked for his/her Medicare and/or Medicaid and bank account numbers so the plan can start the first of the month.
- The money is withdrawn with no prescription drugs delivered, or the bank account is cleaned out.

Arthritis Kit Scam

In this scam, beneficiaries are told if they suffer from arthritis, diabetes, poor circulation, back aches, swelling, muscle soreness or hand or ankle inflammations that help is on the way with a Medicare-approved arthritis back kit. It's free to those with Medicare Part A and B, and beneficiaries even qualify for a special heating pad and heat lamp. This is not true. There is no such item as a Medicare arthritis kit.

Medicare Fraud

Medicare fraud is defined as knowingly and willfully executing, or attempting to execute, a scheme or ploy to defraud the Medicare program, or obtaining information by means of false pretenses, deception or misrepresentation in order to receive inappropriate payment from the Medicare program. The most frequent kind of fraud arises from a false statement or misrepresentation that is relevant to entitlement or payment under the Medicare program. Medicare abuse occurs when providers supply services or products that are not medically necessary or that do not meet professional standards.

Examples of Fraud and Abuse

- Billing for services and supplies that were not provided
- Obtaining Medicare number for "free" services
- Billing for equipment not delivered
- "Upcoding" – improper coding to obtain a higher payment
- Unneeded or excessive x-rays and lab tests; claims for services that are not medically necessary
- Billing for excessive medical supplies
- Using another person's Medicare card to obtain medical care, supplies or equipment

Protect

Protect yourself from Medicare errors, fraud and abuse. Protecting your personal information is the best line of defense in the fight against health care fraud and abuse. Every day, consumers get ripped off by scam artists. Medicare and Medicaid lose billions of dollars each year. You can make a difference!

Here are some ways to take an active role in protecting your health care benefits:

- Treat your Medicare, Medicaid and Social Security numbers like a credit card number. Never give these numbers to a stranger.
- Remember, Medicare doesn't call or visit to sell you anything.

- Don't carry your Medicare or Medicaid card unless you will need it. Only take it to doctor's appointments, visits to your hospital or clinic or trips to the pharmacy.
- Record doctor visits, tests and procedures in your [personal health care journal](http://www.smpresource.org/Content/NavigationMenu/ResourcesforSMPs/SMPOutreachMaterials/2.PersonalHealthCareJournalinEnglish.pdf) (<http://www.smpresource.org/Content/NavigationMenu/ResourcesforSMPs/SMPOutreachMaterials/2.PersonalHealthCareJournalinEnglish.pdf>) or calendar.
- Save Medicare Summary Notices and Part D Explanation of Benefits. Shred the documents when they are no longer useful.
- Avoid telephone or e-mail offers of "free" medical tests or supplies in exchange for a "peek" at your Medicare or Medicaid card.
- Beware of advertising that promises Medicare will pay for certain care or devices.
- Never sign a blank form. Always read and keep a copy of any document or agreement you sign.
- If you rent medical equipment, such as a walker, return the item to the medical equipment dealer when you are finished. Always get a dated receipt for the return.
- Beware of offers of TENS units (battery-powered units that send electrical impulses to reduce pain), nebulizers (breathing machines), noninvasive blood flow studies, "free" cholesterol checks and promises of "stroke prevention." Rely on your own doctor's advice to prescribe appropriate treatment for you.
- Rely on your doctor's advice first. Avoid offers of "free" medical tests or supplies in exchange for a "peek" at your Medicare or Medicaid card.
- Beware of advertising that promises Medicare or Medicaid will pay for certain care or devices.
- Never sign a blank form. Always read and keep a copy of any document or agreement you sign.

Detect

Learn to detect potential errors, fraud and abuse. Even when you do everything right, there is a chance that you could be a target of healthcare fraud. There are a lot of ways that your personal information can be used without your permission.

Here are some steps you can take to detect potential errors, fraud and abuse:

- Always review your Medicare Summary Notice (MSN) and Part D Explanation of Benefits (EOB) for mistakes. Access to your current Medicare account is available 24 hours a day. Simply visit www.MyMedicare.gov.
- Keep records of your health care visits, services and equipment provided, significant lab results, etc. The SMP [personal health care journal](http://www.smpresource.org/Content/NavigationMenu/ResourcesforSMPs/SMPOutreachMaterials/2.PersonalHealthCareJournalinEnglish.pdf) or a pocket calendar is a good place to make notes.

- Keep and file copies of any bills or notices from insurance companies, doctors, hospitals, pharmacies, etc., as well as cancelled checks. Compare your MSN and EOB to your [personal health care journal](#) and prescription drug receipts to make sure they are correct.
- Look for three things on your billing statement:
 1. Charges for something you didn't get
 2. Billing for the same thing twice
 3. Services that were not ordered by your doctor
- Ask questions – ask your provider or plan*:
 1. WHEN...you don't understand the charges billed
 2. WHEN...you don't think you received the service
 3. WHEN...you feel the service was unnecessary

For More Information

- [Centers for Medicare & Medicaid Services \(http://www.cms.gov/\)](http://www.cms.gov/). CMS is the United States Department of Health & Human Services agency responsible for administering the Medicare, Medicaid, SCHIP (State Children's Health Insurance) and several other health-related programs
- [CMS overview page \(http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/\)](http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/) on Medicare Advantage plans, Medicare Advantage prescription drug plans, prescription drug plans and 1876 cost plans with marketing efforts. Send marketing guideline questions to: CMSMarketing@cms.hhs.gov
- [Final 2009 Medicare Marketing Guidelines \(http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/downloads/R91MCM.pdf\)](http://www.cms.gov/Medicare/Health-Plans/ManagedCareMarketing/downloads/R91MCM.pdf)
- [HHS: Stop Medicare Fraud \(http://www.stopmedicarefraud.gov/\)](http://www.stopmedicarefraud.gov/) The U.S. Department of Health & Human Services and U.S. Department of Justice offer information and resources on a new initiative, HEAT, that is designed to stop Medicare and Medicaid fraud
- [Medicare, The Official U.S. Government Site for People with Medicare \(http://www.medicare.gov/default.aspx\)](http://www.medicare.gov/default.aspx) Comprehensive information on Medicare and related issues, including prescription drugs, billing, appeals, long-term care and enrollment
- [Medicare Trustees Report \(http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html\)](http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/ReportsTrustFunds/index.html) This report discusses both the Hospital Insurance program (Medicare Part A) and the Supplementary Medical Insurance program (Medicare Part B and Prescription Drug Coverage)

- [My Medicare Community](http://www.ncoa.org/enhance-economic-security/center-for-benefits/) (<http://www.ncoa.org/enhance-economic-security/center-for-benefits/>) a National Council on Aging site dedicated to professionals and volunteers who help people with Medicare
- [National Committee to Preserve Medicare and Social Security](http://www.ncpssm.org/) (<http://www.ncpssm.org/>) A membership organization, the NCPSSM protects, preserves, promotes and ensures the financial security, health and the well being of current and future generations of maturing Americans
- QIOs (Quality Improvement Organizations). To find a state QIO, (<http://www.qualitynet.org>). For the CMS webpage about QIOs, (<http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/QualityImprovementOrgs/index.html/>)
- [Social Security Online](http://www.ssa.gov/) (<http://www.ssa.gov/>) is the official website of the U.S. Social Security Administration
- [Who Cares](http://www.ftc.gov/bcp/edu/microsites/whocares/index.shtml) (<http://www.ftc.gov/bcp/edu/microsites/whocares/index.shtml>) offers reliable sources of information on a variety of health topics, including Medicare fraud, medical ID theft, generic drugs and assisted living

Medicaid Fraud

Medicaid, a state-administered health care program funded jointly by states and the federal government, is also compromised by health care error, fraud and abuse. The health-related expenses of beneficiaries eligible for Medicaid are paid by Medicaid alone or by both Medicare and Medicaid, rather than by Medicare and the beneficiary. The Medicaid program is vulnerable for the same reasons that Medicare is, with state and federal government paying the bill for the wasteful or fraudulent co-pays, deductibles or premiums, not the beneficiary. Medicaid fraud can lead to inappropriate, delayed or denied health care services. Because Medicaid in particular serves society's most economically and/or physically vulnerable citizens, its beneficiaries can be seen as an easy mark by unscrupulous persons. Their vulnerability also creates barriers to detecting and reporting errors, fraud and abuse when they occur.

The problems are not going unnoticed. SMP projects target their outreach efforts to Medicaid beneficiaries in their state, partnering with their [state ombudsman programs](http://www.ltombudsman.org/) (<http://www.ltombudsman.org/>) to help those who live in nursing homes or other facilities. State [Medicaid Fraud Control Units](http://www.namfcu.net/about-us/about-mfcu) (MFCUs) (<http://www.namfcu.net/about-us/about-mfcu>) and State Program Integrity Units investigate and prosecute health care providers and also look into complaints of abuse and neglect. The [National Association of Medicaid Fraud Control Units](http://www.namfcu.net/) (<http://www.namfcu.net/>) helps members deter health care provider frauds, recover program dollars, punish corrupt practitioners and prosecute those who abuse or neglect nursing home residents. The federal governments [HEAT](http://www.stopmedicarefraud.gov/) (<http://www.stopmedicarefraud.gov/>) initiative is designed to stop Medicare and Medicaid fraud.

Though states are allowed to develop their own Medicaid coverage guidelines, these guidelines must be within certain limits dictated by the [Centers for Medicare & Medicaid Services](http://www.cms.gov/) (CMS) (<http://www.cms.gov/>), the organization that administers Medicare and Medicaid. Go to:

http://www.smpresource.org/Content/NavigationMenu/HealthCareFraud/Medicaid/Medicaid_Basics.htm) for a brief overview of Medicaid. The CMS website covers everything from enrollment and coverage to how to prevent, detect and report fraud.

CMS warns people to avoid common rip off and fraud schemes: https://www.cms.gov/Medicare-Medicaid-Coordination/Fraud-Prevention/FraudAbuseforConsumers/Rip_Offs_Schemes.html

For More Information

- [GAO Report](http://www.smpresource.org/Content/NavigationMenu/HealthCareFraud/Medicaid/GAO_Medicaid_controlled_substances.pdf) (http://www.smpresource.org/Content/NavigationMenu/HealthCareFraud/Medicaid/GAO_Medicaid_controlled_substances.pdf) -- Medicaid: Fraud and Abuse Related to Controlled Substances Identified in Selected States
- [Medicaid Tip Sheet](http://www.smpresource.org/AM/Template.cfm?Section=Medicaid2&Template=/CM/ContentDisplay.cfm&ContentFileID=724) (<http://www.smpresource.org/AM/Template.cfm?Section=Medicaid2&Template=/CM/ContentDisplay.cfm&ContentFileID=724>)

QUESTIONS??

For assistance, call your local SMP program: 1-800-247-4422

For more information or to locate your state SMP, visit www.smpresource.org

