



CALIFORNIA HEALTH ADVOCATES

## Medicare: Fraud and Abuse

Medicare fraud and abuse costs Medicare billions of dollars every year. It can cost you higher Medicare premiums, deductibles, and co-payments. Losses due to fraud may also prevent Medicare from offering more services and better coverage.

### What is Medicare fraud?

Medicare fraud is intentionally billing Medicare for services that were never provided. For example, your Medicare number can be used to bill Medicare for services and supplies you didn't need or want, services and supplies your doctor did not order, services and supplies you can't even use, and services and supplies you did not receive. This fact sheet reviews common fraud schemes and how to protect yourself from becoming a victim of Medicare fraud.

### Where do we see Medicare fraud?

- 1) In billing for institutional facilities (Medicare Part A), such as nursing homes, residential facilities, hospitals, and hospices.
- 2) In billing for physician services or visits to physicians (Medicare Part B).
- 3) In billing for Durable Medical Equipment (DME), such as wheelchairs, body jackets, incontinence supplies, etc.
- 4) In improper marketing through telephone, door-to-door sales and flyers (Medicare Part C (Medicare Advantage) and Part D (prescription drug benefit)).

### Medicare fraud is committed when a provider:

- **Submits bills for services not rendered:** Common are “gang visits”, when practitioners visit a nursing home

and bill for services for all, or nearly all, residents. The physician may not have provided the service(s) to all residents but bills as if he or she had, or, the physician may provide service(s) whether every resident needs it or not.

- **Upcodes a service:** Submitting a bill for surgery when only a bandage was placed over a cut, for example.
- **Unbundles services:** Submitting separate billing for lab services that include three or four tests combined as one and which are supposed to be billed as one service. This separate billing results in Medicare paying providers more for each service than what would have been paid if they had been billed as a group.
- **Solicits, offers, or receives a bribe or a kickback:** Often recruiters or what are called “cappers” may stop beneficiaries on the street, or knock on their door and offer money or promotional gifts as incentives to entice them to take a “free” medical exam. Then the patient is presented with a list for durable medical equipment (DME), or prescribed DME that they do not need.
- **Bills “non-covered” services as covered services:** For example, billing routine toenail clipping (non-covered service) as foot surgery (covered service).
- **Does not follow Medicare Marketing rules:** Offering a Part D prescription plan at no cost to the beneficiary (when a Part D plan does, in fact, charge a premium).

## What can I do to protect myself from becoming a victim of Medicare fraud?

- Protect your Medicare card number, as well as your Social Security number. Your Medicare number is the key to medical identity theft.
- Don't give out personal information such as your Medicare number, Social Security number, bank account or credit card number over the phone or in person to anyone you don't know.
- Review your Medicare Summary Notice (MSN) and/or your Part C and D Explanation of Benefits (EOB). Beneficiaries on Original Medicare can also review their MSNs at [www.myMedicare.gov](http://www.myMedicare.gov).
- Don't let anyone convince you to see a doctor for a service that you do not need.
- Don't accept offers of money or gifts for medical care.
- Do not allow anyone else to use your Medicare card to obtain healthcare.
- Never accept medical supplies from door-to-door salespeople.
- Don't be influenced by media advertisements concerning your health. They raise money for someone and don't have your best interests at heart.
- Avoid the "it's free" and "we know how to bill Medicare" scam. As stated earlier, protect your Medicare card number. Medicare only pays for services and equipment that are medically necessary and prescribed by your medical doctor.
- Educate yourself about Medicare. Know your rights and know what a provider can and can't do for your medical care.
- Ask questions! You have a RIGHT to know about your medical care!

questionable item. In many cases, it may be the result of a billing error, which can be easily corrected.

If your question is not resolved and you still think the charges are fraudulent, **contact our Senior Medicare Patrol (SMP) helpline at 1-855-613-7080**. We will ask you for the pertinent facts and begin to review your concern. We'll work with you, and if appropriate, forward your case to Medicare and/or the proper fraud investigation agency.

When reporting suspicious activity, have the following information ready:

- Your Medicare card number,
- Physician, supplier, and facility name where the service was provided,
- The date the service was rendered, and
- The description of the problem that you are calling about.

**Note: Do not leave your Medicare number on a phone message.**

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*California Health Advocates runs California's Senior Medicare Patrol (SMP) project through a grant from the U.S. Administration for Community Living.*

## How to report Medicare fraud and abuse:

Call the health care provider listed in the MSN or Part C or Part D EOB and inquire about the