# Patients of medicare providers committing fraud, abuse more likely to be poor, disabled

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A new study from the Johns Hopkins Bloomberg School of Public Health analyzed providers excluded from Medicare for fraud and abuse, and found that the patients they treated prior to being banned were more likely to be minorities, disabled and dually-enrolled in Medicaid to supplement financial assistance for health care.

The findings, published in the May issue of *Health Affairs*, highlight the risk that providers committing Medicare fraud and abuse could be taking advantage of their more vulnerable patients. Medical fraud and abuse can include patient neglect, illegally providing prescription medications, unnecessary medical procedures, deceitful billing practices and using untrained personnel for direct patient care. Fraudulent medical practice is estimated to cost the U.S. federal government between $90 to $300 billion dollars annually.

"Although fraud and abuse are known to be problems in Medicare, there have been no studies of the patients exposed to the perpetrators," explains lead author Lauren Hersch Nicholas, Ph.D., assistant professor in the Bloomberg School's Department of Health Policy and Management. "Over a four-year period, we found that more than one million Medicare beneficiaries were treated by providers who were taking actions that could jeopardize patient health."

The researchers analyzed demographics of patients seen by excluded and non-excluded providers, taking into consideration the patient's location, age, and the type of provider. They found that not only were more

patients more likely to be non-white, 27.4 percent versus 25 percent seen by non-excluded health care providers, they were also more likely to be dually-eligible for Medicaid, 38.8 percent versus 25.5 percent, and non-elderly disabled, 21.6 percent versus 17.3 percent.

The study took data from a list of excluded providers who were found to have committed fraud and abuse by the Office of the Inspector General of the Department of Health and Human Services. The list is updated monthly and the providers are identified through audits or criminal investigations. The researchers linked the list of excluded providers to their Medicare fee-for-service patients from 2012-2015 and compared them to beneficiaries being treated by non-fraudulent health care providers during the same time period.

During the study period, researchers identified 1,364 unique providers that were excluded for fraud and abuse. They classified excluded providers based on the first reason for exclusion, finding that 606, or 44 percent of providers, were excluded for fraud; 505, or 37 percent, for revoked licenses and 253, or 19 percent, for patient harm. The excluded providers treated over 1.2 million beneficiaries during the study period and received $634 million in Medicare payments.

Providers excluded for fraud had the largest percentage of non-white and Medicaid dual-eligible patients, at 29.5 percent and 44.1 percent, respectively. Providers excluded for patient harm or revoked licenses were more likely to have patients under 65, disabled and dual-eligible for Medicaid. Disabled patients are 23-26 percent more likely to be treated by a provider excluded for fraud and abuse than someone treated by a non-excluded provider.

"We need more efforts to find fraud and abuse more quickly, to remove those providers from Medicare and also to improve our efforts to provide follow-up care to patients who we know have been impacted by

these providers," says Nicholas. "Current efforts focus on recovering money from fraud and abuse and do not emphasize the patients being treated by these providers."

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