

A COVID test Medicare scam may be a trial run for further fraud

May 23 2023, by Susan Jaffe



Credit: Pixabay/CC0 Public Domain

Medicare coverage for at-home COVID-19 tests has ended, but the scams spawned by the temporary pandemic benefit could have lingering consequences for seniors.

Medicare advocates around the country who track fraud noticed an eleventh-hour rise in complaints from beneficiaries who received tests—sometimes by the dozen—that they never requested. It's a signal that someone may have been using, and could continue to use, seniors' Medicare information to improperly bill the [federal government](#).

The U.S. Department of Health and Human Services' Office of Inspector General has received complaints from around the country about unsolicited tests being billed to Medicare, said a top investigator. Earlier this year, the office posted a fraud warning on its website, urging consumers to report this and other COVID-related scams.

"Unfortunately, most of these schemes are the result of bad actors receiving stolen Medicare beneficiary information," Scott Lampert, assistant inspector general for investigations, told KFF Health News.

Being targeted once can mean a person is vulnerable to future scams. A stolen Medicare number can be used repeatedly to get payment for all kinds of things or sold to other fraudsters, said María Alvarez, who oversees New York state's Senior Medicare Patrol. The organization helps identify and educate beneficiaries about Medicare fraud throughout the country.

"If you have someone's Medicare number, you can bill Medicare for procedures, tests, drugs, services, and durable medical equipment," Alvarez said. "On the dark web, Medicare numbers are more valuable than credit card or Social Security numbers."

One beneficiary in Indiana suspected something was amiss after receiving 32 unrequested tests over a 10-day period, said Nancy Moore, the Senior Medicare Patrol program director for Indiana. None of the people who submitted a complaint recalled giving out their Medicare number, she said.

In another variation of the problem, Medicare paid for tests for some Ohio beneficiaries who never received them, said Lisa Dalga, project manager for Ohio's Senior Medicare Patrol.

"Information is the commodity of the 21st century," said Moore, who said she urges beneficiaries to guard their Medicare numbers.

It is possible that some unwanted packages were a mistake, after pharmacies or other suppliers turned a one-time request into a continuing monthly order, a switch allowed under the program's rules that beneficiaries were responsible for correcting.

Along with those from New York, Indiana, and Ohio, Senior Medicare Patrol directors in Tennessee, Texas, and Utah told KFF Health News they noted a rise in complaints about the unwanted tests as the benefit's cutoff date approached.

Alvarez said lately [test](#) suppliers had "gotten more aggressive," calling and emailing seniors—something legitimate Medicare representatives do not do—as well as running misleading internet ads.

When the COVID-19 [public health emergency](#) ended on May 11, Medicare stopped paying for over-the-counter tests, though it continues to cover those provided in a clinic, doctor's office, or other health care setting and processed by a laboratory. Some private Medicare Advantage plans may continue paying for the at-home tests.

Medicare spent \$900.8 billion providing [health](#) coverage to 64 million beneficiaries in 2021. But the program loses as much as \$90 billion a year to fraudulent claims. Some of the more well-known scams have involved [medical equipment](#) like power wheelchairs.

Sara Lonardo, a spokesperson for the Centers for Medicare & Medicaid

Services, confirmed Medicare received complaints about unwanted tests but said they came from only "a small portion" of Medicare beneficiaries who received tests.

Last year, President Joe Biden's administration offered all households a limited number of at-home tests for free, increasing access to testing as part of its effort to combat COVID-19.

A few months later, in April 2022, CMS decided to pay for eight tests per month for those with Medicare Part B outpatient coverage, including tens of millions of seniors, one of the groups most susceptible to severe illness and death from the virus. It was the first time the agency agreed to cover non-prescription, over-the-counter products at no cost to beneficiaries.

In a statement last month, federal law enforcement officials said "wrongdoers allegedly sought to exploit the program by repeatedly supplying patients or, in some instances, deceased patients, with dozens of COVID-19 tests that they did not want or need."

So far, prosecutors at the Department of Justice have confirmed only one case involving the testing scam. A doctor in Florida and a test supplier in Georgia face charges after they were accused of illegally paying an unnamed Virginia marketing company approximately \$85,000 to obtain beneficiary numbers "for thousands of Medicare beneficiaries throughout the United States," according to an indictment filed by the Department of Justice last month and obtained by KFF Health News.

The indictment said the pair submitted more than \$8.4 million in fraudulent claims for COVID tests "regardless of whether the Medicare beneficiaries had requested or needed the tests."

Lampert declined to say how many complaints the OIG had received,

adding, "There may or may not be some other ongoing investigations that we just cannot discuss yet."

The details of several Medicare Summary Notices—quarterly statements of services beneficiaries received—obtained by KFF Health News show Medicare paid suppliers \$94.08 for at-home COVID testing using a billing code for "a single test." Most retail pharmacies sell a two-pack of tests for about \$24.

Lonardo said Medicare paid up to \$12 for one test and that the number of covered tests was limited to reduce "the risk of abusive billing." She declined to explain why the Medicare Summary Notices indicated a payment of \$94.08.

Beneficiaries may be the best fraud detectives for preventing medical identity theft. Senior Medicare Patrol programs encourage them to look for any items on their benefits statements—like back braces and lab tests—that Medicare paid for but that they never received.

If Medicare has paid for an item once, beneficiaries may not be able to get it when they really need it—regardless of whether they actually received it.

Diane Borton, a 72-year-old from New Smyrna Beach, Fla., has thrown out some of the expired tests she received but never asked for, yet she still has 25 tests. She said she called the 1-800-MEDICARE helpline twice about the unwanted packages but was told nothing could be done to stop them.

Borton didn't pay for her supply, but that's not why she's concerned. "I don't want my government paying for something that I'm not going to use and I didn't ask for," she said. "I feel like it is such a waste of money."

2023 KFF Health News.

Distributed by Tribune Content Agency, LLC.

Citation: A COVID test Medicare scam may be a trial run for further fraud (2023, May 23)
retrieved 11 May 2024 from <https://medicalxpress.com/news/2023-05-covid-medicare-scam-trial-fraud.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.