

Special Committee on Aging Hearing Testimony
September 19, 2024

I would like to thank Ranking Member Braun, Chairman Casey, the other witnesses, and all in attendance for giving me this opportunity to speak about Medicare fraud and scams that target older adults and people with disabilities.

As the Indiana Senior Medicare Patrol (SMP) program director since 2013, I have learned that one of the biggest crimes affecting older Americans and people with disabilities is Medicare fraud, waste, and abuse. In addition to Medicare's own provider-focused fraud prevention units within the Centers for Medicare & Medicaid Services (CMS), the U.S. Administration for Community Living (ACL) funds and supports the beneficiary-focused [Senior Medicare Patrol \(SMP\) program](#). With programs in every state, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands, SMP's purpose is to educate beneficiaries, caregivers and professionals on how to prevent, detect and report Medicare fraud. In 2023, ACL's 54 SMP projects had a total of 5,532 active team members who conducted 22,356 group outreach and education events, reaching more than 1.2 million people. In addition, the projects had 270,348 one-on-one interactions with, or on behalf of Medicare beneficiaries.

CMS offers no official estimates of total yearly Medicare fraud, but health care experts estimate improper Medicare payments are approximately \$60 billion per year. The U.S. Department of Health and Human Services' Office of Inspector General's (OIG) most recent [annual report](#) on SMP indicated that SMP projects reported more than \$111 million in expected Medicare recoveries in 2023. The majority of these recoveries were the result of a case identified by the Louisiana state SMP project where a nurse practitioner was ultimately found guilty of billing for genetic tests and durable medical equipment that patients did not need and telemedicine visits that never occurred..

Our [Indiana SMP](#) uses volunteers and in-kind team members, in partnership with most Area Agencies on Aging, four senior centers and a Center for Independent Living to help us educate people about fraud, errors and abuse in Medicare. Our partners give public presentations, exhibit at health and senior fairs and provide individual counseling across Indiana. We also regularly publish statewide social media updates, share social media resources with our local partners, generate earned television and print media through relationships we cultivate with local investigative reporters, and periodically conduct SMP marketing campaigns.

We also collaborate with organizations through a coalition we founded with the Indiana Secretary of State's Office called the [Indiana Council Against Senior Exploitation](#), or IN-CASE. Members include the Indiana Secretary of State's office, the Indiana Attorney General's office, State Health Insurance Assistance Program (SHIP), the Social Security Administration, the Internal Revenue Service, the Indiana State Police, financial institutions, and many others to conduct joint presentations about Medicare fraud and other financial scams that target older adults. The mission of IN-CASE is to empower Indiana communities to prevent and end senior financial exploitation and other forms of abuse.

SMP programs across the country can provide early detection and warning of emerging frauds and scams. Here are some examples of suspected fraud that the Indiana SMP reported to the OIG during the past year:

- In the [Intermittent Urinary Catheter](#) fraud scheme, most of the beneficiaries noticed billing for urinary catheters on their Medicare statements that they and their doctor neither ordered, needed nor received. Many were billed for multiple months with Medicare paying about \$1,500/per month for each separate billing. I personally noticed billings for urinary catheters on my own Medicare statements for May and June and promptly reported the suspicious claims to CMS and requested a new Medicare number since mine was compromised. Beneficiaries may not regularly read or understand their Medicare statements, and therefore may not realize their Medicare number had been compromised. They may also not understand the need to report the fraudulent billing to CMS. Just last week we received a fraud report from a beneficiary who was billed for ostomy supplies she neither received, needs nor ordered. Other SMPs throughout the nation are just now hearing about this fraud scheme as well.
- Another prevalent fraud scheme is [genetic testing scams](#) where beneficiaries receive a phone call, email or text advising that Medicare is providing free genetic testing for cancer or heart problems. The caller offers to mail them a cheek-swab kit, and either requests their Medicare number or asks them to confirm it. In one case, the beneficiary contacted Indiana SMP after the scammer called to inform her the swab kit was on her front porch, and they could walk her through the testing and mailing process. The beneficiary got suspicious and fortunately called the IN SMP. As a result, we were able to educate this beneficiary, help her report the scheme, and request a new Medicare number.

- Durable Medical Equipment (DME) fraud is a perennial scam which includes all types of [orthotic braces](#). Beneficiaries continue to contact Indiana SMP reporting unsolicited calls identifying themselves as representing Medicare with an offer of free orthotic braces. The scam often begins with an initial contact from a call center, which makes a referral to an unscrupulous doctor or telemedicine company, and a final referral to a DME provider. The braces delivered are often inferior, and the beneficiary's personal doctor is not typically notified nor consulted. This fraud scheme is another avenue the scammers use to get beneficiaries' Medicare numbers.
- An emerging scam we are seeing throughout the nation is beneficiaries receiving calls allegedly from CVS Pharmacy requesting they order diabetic supplies or medications they do not need. In the cases we have documented in Indiana, the caller already has the beneficiary's Medicare number indicating that the beneficiaries' Medicare number has likely been compromised. Thankfully, none of our Indiana beneficiaries impacted by this have noticed any suspicious charges so far but we have asked them to keep an eye on their notices to ensure no charges pop up. CVS is aware of this scheme and has posted a warning on their [website](#).

The Indiana SMP recommends that all Medicare enrollees and their caregivers review their Medicare Summary Notices (MSNs) for Medicare fee-for-service or Explanation of Benefits (EOBs) for Medicare Advantage plans. Beneficiaries should be on the lookout for duplicate billing, services or products not rendered or received and services not ordered by their physician. We also remind beneficiaries and caregivers that they should never give their Medicare number or financial information over the telephone to an unknown caller, and that Medicare does not make unsolicited phone calls.

Ensuring the financial integrity of Medicare is essential to the millions of Americans who currently depend on it to access comprehensive health care services as well as the thousands of people who become newly eligible for Medicare every day. As US citizens, we all need to become better, more conscientious health care consumers and help identify any potential improper payments. To that end, we have supported Sen. Braun's and this committee's work to reduce or eliminate Medicare fraud. We assisted Sen. Braun's office with information and language regarding his Medicare Transaction Fraud Prevention Act, which would enhance the Medicare fraud prevention system to alert the beneficiary being scammed.

Thank you for allowing me this opportunity to share my experiences with you today.

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