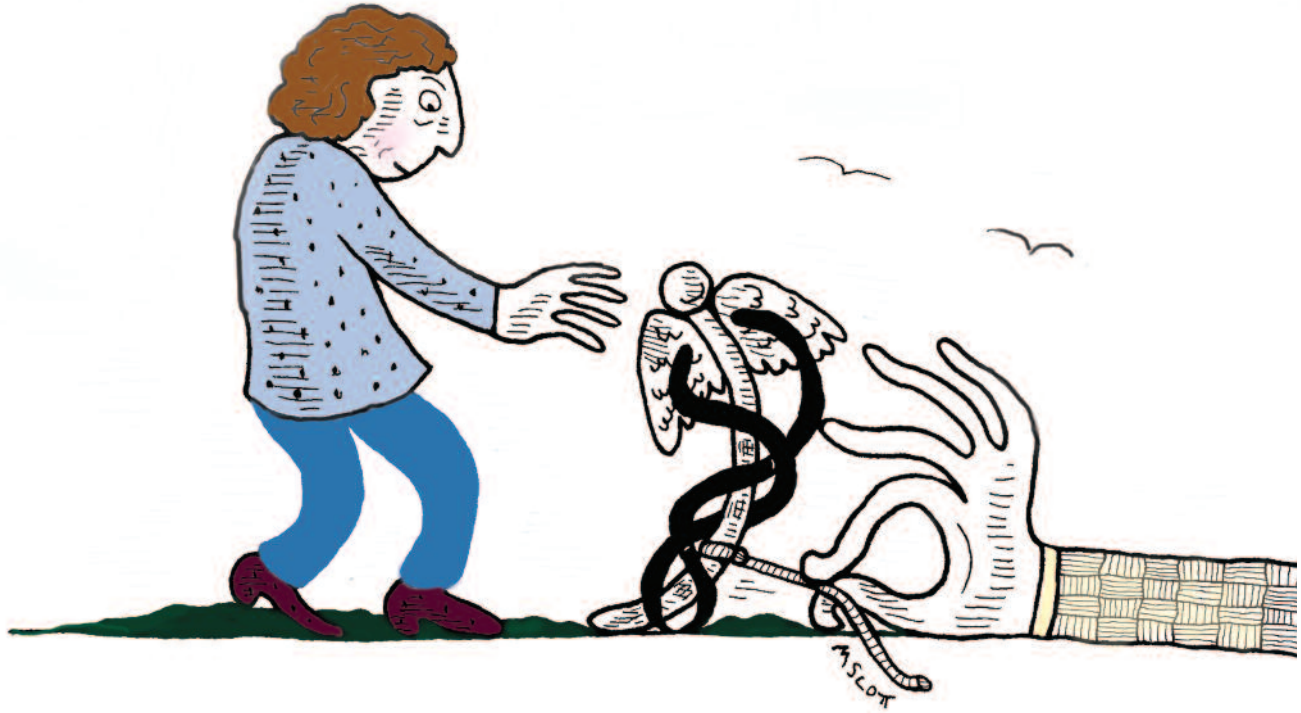


# WISER/NAPSA *Just the Facts* HEALTHCARE SCAMS



## Introduction

Senior financial abuse scams are a multi-billion dollar "industry." Studies estimate the annual financial loss nationwide to be around \$2.9 billion<sup>1</sup>. In a recent New York State study, estimated annual losses for seniors in a subsample of New York State districts fell between \$352 million to \$1.5 billion, suggesting the national total may be substantially higher than previously estimated.<sup>2</sup> Although it can be difficult to measure the exact extent of the total financial loss, we know that these crimes are on the rise and continue to deprive seniors of their savings and assets. These figures do not account for the tens of billions spent on indirect costs for medical care, social services, and legal costs, or for the pain and suffering of the victims. Victims are not only older people, but also their families and all who provide services and financial assistance.

All seniors, regardless of income, are at risk. Financial abuse may be perpetrated by anyone—a professional con artist, a paid caregiver, a stranger or casual acquaintance, or even a son, daughter, or other family member.

The following factors contribute to the prevalence of senior financial abuse:

- ▣ A high percentage of seniors live alone and may be more vulnerable to scams.
- ▣ Seniors may be trusting and readily believe the sales "pitches" they hear.
- ▣ The population of seniors is increasing, providing a continuous source of wealth for financial abusers.

Education and awareness are two key strategies to preventing and responding to elder financial abuse. This brief describes common healthcare scams, and provides resources to keep seniors from becoming victims.

**HEALTHCARE FRAUD  
COSTS THE COUNTRY  
TENS OF BILLIONS OF  
DOLLARS A YEAR.**

—Source: FBI

# Educate Yourself and Others About These Healthcare Scams

## Medicare Fraud

Since every U.S. citizen or permanent resident is eligible for Medicare at age 65, seniors are a prime target for Medicare fraud. These scams trick seniors into providing their Medicare or Social Security number, and include:

- ☒ The promise of free services or groceries
- ☒ Phony “health surveys”
- ☒ Submitting fraudulent bills for services or medical equipment and identity theft

Open enrollment season for Medicare is a time of increased scams, as Medicare beneficiaries can make changes to their health plan and prescription coverage. Scammers will pose as employees from the Centers for Medicare & Medicaid Services (CMS) or other government agencies, claiming that new cards are being issued. Do not respond to these requests; ***the government will never solicit information over the phone or through email.*** Learn more at [www.stopmedicarefraud.gov](http://www.stopmedicarefraud.gov).

## Health Insurance and Marketplace Scams

Scammers have taken advantage of changes in the Affordable Care Act—to falsely present themselves as government officials or healthcare providers looking to “verify” personal information, such as Medicare ID numbers, bank account numbers, or credit cards. Also, email “phishing” scams are being targeted at Marketplace.gov consumers. The phishing emails claim to come from a U.S. Federal Government Agency. Any effort to solicit information from you for your health care should be regarded as suspicious. ***Don’t respond to emails and hang up on the callers.***



## Counterfeit Prescription Drugs

Seniors often use the internet to look for better prices on



prescription drugs. Scammers will offer “special low prices” on fraudulent drugs. Reputable online pharmacies will have the Verified Internet Pharmacy Practice Site (VIPPS) seal of approval—look for it. Scammers secure credit card numbers and may continue to charge

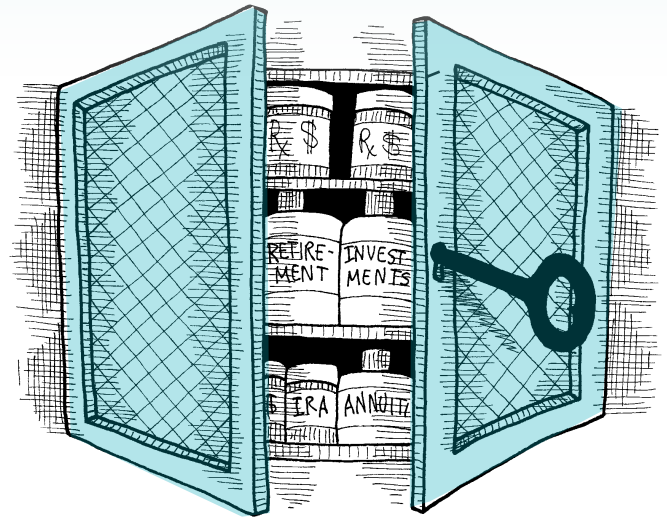
1 The MetLife Mature Market Institute. *The MetLife Study of Elder Financial Abuse*. June 2011.

2 New York State Office of Children and Family Service. *The New York State Cost of Financial Exploitation Study* June 15, 2016

and bill seniors for subsequent "purchases" they did not initiate. Many seniors are unaware of what they are being billed for and will continue to pay the charges.

### Medical Discount Cards

Discount cards are a low-cost way to get needed medical care. Consumers typically pay a monthly fee and gain access to a large pool of primary physicians, eye doctors, pediatricians and other providers at a discounted price. Many discount medical cards are fraudulent. They provide fake lists of providers, phony discounts, and high fees that are not readily apparent and often mimic health insurance but provide no actual benefits. Learn more about spotting a phony card at [www.insurancefraud.org](http://www.insurancefraud.org), under scam alerts.



### Funeral and Cemetery Scams

Scammers may read obituaries and contact the grieving widow or widower claiming the deceased had an outstanding debt with them. Another tactic of disreputable funeral homes is to insist that a casket, one of the most expensive parts of funeral services, is necessary, even in the case of cremation.

#### ADDITIONAL HELPFUL RESOURCES

Many public agencies are involved in preventing and detecting senior abuse and in prosecuting those who commit it. Many organizations are also dedicated to educating seniors on these topics:

- ❁ **Medicare** [www.stopmedicarefraud.gov](http://www.stopmedicarefraud.gov) or 1-800-MEDICARE  
The U.S. Department of Health and Human Services publishes a helpful booklet called *Protecting Yourself and Medicare from Fraud*. Also, the Senior Medicare Patrol helps with detecting and preventing healthcare fraud and abuse.
- ❁ **Senior Medicare Patrol** [www.smpresource.org](http://www.smpresource.org)  
Find trained volunteers in your area who can help Medicare beneficiaries and their families prevent, detect and report healthcare fraud, errors and abuse.
- ❁ **FBI** [www.fbi.gov/scams-safety/fraud/seniors](http://www.fbi.gov/scams-safety/fraud/seniors)  
Provides information on fraud schemes and how to avoid them.
- ❁ **FTC** [www.ftc.gov](http://www.ftc.gov)  
Protects consumers from unfair, deceptive, and fraudulent business practices.
- ❁ **National Center on Elder Abuse** [www.ncea.acl.gov](http://www.ncea.acl.gov)  
Provides state resources: helplines, hotlines and information.
- ❁ **U.S. Administration on Aging** [www.eldercare.acl.gov](http://www.eldercare.acl.gov)  
In partnership with the National Association of Area Agencies on Aging, operates the Eldercare Locator to help individuals find local caregiving services and resources. 1-800-677-1116

## WISER AND NAPSA

partner to provide valuable information to seniors,  
caregivers, families and communities across the nation.

### National Resource Center on Women and Retirement Planning



The Women's Institute for a Secure Retirement (WISER), in partnership with the Administration on Aging, operates the National Resource Center on Women and Retirement Planning. The Center provides user-friendly financial education and retirement planning tools for low-income women, women of color, and women with limited English speaking proficiency. WISER's mission is to educate women about the issues that affect their long-term financial security and highlight the importance of taking an active role in planning for retirement. WISER offers tools and resources on the topics of Social Security, retirement plans, savings and investments, banking, caregiving, divorce and widowhood, and long-term care.

1140 19th Street, NW, Suite 550  
Washington, DC 20036  
(202) 393-5452  
[www.wiserwomen.org](http://www.wiserwomen.org)



920 S. Spring Street  
Suite 1200  
Springfield, IL 62704  
(217) 523-4431  
[www.napsa-now.org](http://www.napsa-now.org)

### National Adult Protective Services Association

The goal of the National Adult Protective Services Association (NAPSA) is to provide Adult Protective Services (APS) programs a forum for sharing information, solving problems, and improving the quality of services for victims of elder and vulnerable adult mistreatment. Its mission is to strengthen the capacity of APS at the national, state, and local levels, to effectively and efficiently recognize, report, and respond to the needs of elders and adults with disabilities who are the victims of abuse, neglect, or exploitation, and to prevent such abuse whenever possible.

**National Institute**  
*on Elder Financial Exploitation*

NAPSA also operates the National Institute on Elder Financial Exploitation (NIEFE), the first national clearinghouse to focus on the complex issues of elder financial abuse.