Elder Abuse Awareness
Fraud and Scams
Senior Medicare Patrol (SMP) Overview

Rebecca Bradley
Maryland Department of Aging
Prevent Medicare Fraud, Scams & Identity Theft

Protect * Detect * Report
Medicare Fraud, Errors, and Abuse Affect...

Everyone

✓ **Billions** of taxpayer dollars lost to improper claims
✓ Medicare trust fund at risk

Medicare Beneficiaries

✓ Higher premiums
✓ Quality of treatment
✓ Less money for needed benefits
What is Medicare Fraud?

**Intentionally** billing Medicare for services that were not received, or billing for a service at a higher rate than is actually justified.
What is Medicare Abuse?

Providers that are supplying services or products that are not medically necessary or that do not meet professional standards.
## Examples of Fraud & Abuse

<table>
<thead>
<tr>
<th>Example</th>
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<tbody>
<tr>
<td>Billing for services, supplies, or equipment that were not provided</td>
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<tr>
<td>Billing for excessive medical supplies</td>
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<td>Obtaining or giving a Medicare number for “free” services</td>
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<td>Improper coding to obtain a higher payment</td>
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<td>Unneeded or excessive x-rays and lab tests</td>
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<td>Claims for services that are not medically necessary</td>
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<td>Using another person’s Medicare number, or letting someone else use your number, to obtain medical care, supplies or equipment</td>
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What about Errors?

Health care services and billing are complicated, which can lead to errors.

Only a review and investigation of the issue will determine if it is an error, fraud, or abuse.
Consequences To Perpetrators

It’s a federal crime to defraud the U.S. Government or any of its programs!

Fraud convictions:

- Can be criminal and/or civil
- May result in prison sentences, restitution (repayment of the stolen funds), and/or steep fines
- Result in mandatory exclusion from the Medicare program for a specific length of time
Consequences to Beneficiaries

- A beneficiary’s file may be flagged *do not pay*.
- Errors in medical history records can result in benefits being denied later.

Fraudulent use of your Medicare number may affect YOUR Medicare benefits!

- Medical identity
- Social Security Number & identity
- Banking & credit information

Theft of your Medicare number may also lead to theft and misuse of:
Prescription Drug Fraud

Things to look for:

• Prescriptions for medications that are not medically necessary for the beneficiary
• Beneficiaries seeking fraudulent prescriptions—particularly opioids
• Criminals acquiring Medicare and Medicaid numbers to bill for prescriptions never received by the beneficiary
• Genetic Testing
• Hospice Fraud
**Step 1: Protect Yourself from Medicare Fraud & Abuse**

<table>
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<tr>
<th>DO</th>
<th>DON’T</th>
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<tbody>
<tr>
<td>• Do treat your Medicare card and number like your credit cards.</td>
<td>• Don't give out your Medicare number except to your doctor or other Medicare provider.</td>
</tr>
<tr>
<td>• Do watch out for identity theft.</td>
<td>• Don’t carry your Medicare card unless you will need it.</td>
</tr>
<tr>
<td>• Do be aware that Medicare doesn’t call or visit to sell you anything.</td>
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</tbody>
</table>
Step 1: Protect Yourself from Medicare Fraud & Abuse

Protecting your Medicare number helps prevent IDENTITY THEFT.

What else can you do?
✓ Do Not Call List
✓ Shred private information
✓ Hang up on marketing calls
✓ Avoid clicking on links in email
PROTECT your Medicare number.
Review your MSN to DETECT errors.
REPORT suspected fraud.
Updated Medicare Card
Step 2: Detect Medicare Fraud & Abuse

Review Medicare Summary Notices (MSNs) and other statements for:

1. Services you didn’t receive
2. Double-billing
3. Services not ordered by your doctor
Step 2: Detect Medicare Fraud & Abuse

Use your Personal Health Care Journal

- Record doctor visits, tests, and procedures in this journal, and take it with you to your appointments.
- Ask yourself questions about your health care. Write the answers and other information in your journal.
- Compare your MSNs and other statements to your journal to make sure they are correct.
Step 2: Detect Medicare Fraud & Abuse


- View most recent MSNs
- Check Part B deductible status
- View eligibility information
- Track available preventive services
- Find Medicare health or prescription drug plans
Step 3: Report Suspected Medicare Fraud and Abuse

✓ Call the provider.
✓ Gather information and documentation.
✓ **Contact local SMP.**

This is a free and confidential service!
How the Affordable Care Act Fights Fraud

Improves anti-fraud and abuse measures by focusing on prevention rather than the traditional “pay-and-chase” model of catching crooks after they have committed fraud.
Contact Local Senior Medicare Patrol

- Allegany County 301-783-1719
- Anne Arundel County 410-222-4257
- Baltimore City 410-396-2273
- Baltimore County 410-887-2059
- Calvert County 410-535-4606
- Caroline County 410-479-2535
- Carroll County 410-386-3800
- Cecil County 410-996-8174
- Charles County 301-934-9305
- Dorchester County 410-376-3662
- Frederick County 301-334-9431
- Harford County 410-638-3025
- Howard County 410-313-7392
- Kent County 410-778-2564
- Montgomery County 301-255-4250
- Prince George’s County 301-265-8471
- Queen Anne’s County 410-758-0848
- Saint Mary’s County 301-475-4200
- Talbot County 410-822-2869
- Washington County 301-790-0725
- Somerset, Wicomico and Worcester Counties 410-742-0505

Maryland SMP – Empowering Seniors to Prevent Healthcare Fraud
Who Else Can Help?

- Department of Insurance
- Attorney General
- Aging & Disability Resource Networks
- Adult Protective Services
- Local APS
- Long-Term Care Ombudsman Programs
- Service Coordinators
- Law Enforcement
- Federal Trade Commission
Help is also available 24 hours a day—including weekends

1-800-MEDICARE

( 1-800-633-4247)
Maryland Home Improvement Commission
Maryland Department of Labor

David Finneran, Executive Director
david.finneran@maryland.gov
TIPS FOR CHOOSING A HOME IMPROVEMENT CONTRACTOR

1. Hire only licensed contractors. Anyone performing home improvement work must be licensed by the Maryland Home Improvement Commission (MHIC). Your first step is to ask the contractor for his or her state contractors license number. Verify that the number is active and in good standing by checking the status online at www.dllr.maryland.gov/license/mhic or by calling 1(888) 218-5925 or (410) 230-6309

2. Ask to see the pocket contractor’s license and a photo I.D.
3. Get your contract in writing and don't sign anything until you understand the terms. Ask a friend, relative, or legal representative to review the contract **before** you sign it.

4. Make sure all project materials and expectations are spelled out and signed in a written contract, including clean-up, debris removal, and site security. Ask your contractor if he or she understands exactly what you want.

5. Get at least three bids. Don’t hire the first contractor who comes along.

6. Be cautious about door-to-door offers of repair services and flyers or business cards that are left at your property.

7. Ask friends, family, and associates for recommendations about contractors they have hired.

9. Even for the smallest job, get proof that the person you are dealing with has a contractor license for the type of work that needs to be done.

10. A contractor cannot accept more than 1/3 of the contract price as a deposit and may not accept any payment until the contract is signed. The agreed upon price of the home improvement contract should be clearly stated.

Maryland Department of Labor
Division of Occupational & Professional Licensing
Home Improvement Commission
500 N. Calvert Street
Baltimore, MD 21202
410-230-6309

Email: dloplmhic-dllr@maryland.gov
Website: www.dllr.state.md.us/license/mhic
Tips For Choosing A Home Improvement Contractor
10 Tips for Choosing a Home Improvement Contractor

1. Decide which improvements you want to make to your home
Determine the type of improvement you want to make to your home and the amount of money you can comfortably spend. Take the time to write down the details of the work you want done before you contact a home improvement contractor.

2. Seek licensed contractors
Hire only licensed contractors. By hiring a licensed contractor you may be eligible for the Guaranty Fund in case you become a victim of unworkmanlike or incomplete work.

3. Obtain more than one estimate for the improvements you want to make
Always comparison shop. Obtain estimates from more than one licensed home improvement contractor.
10 Tips for Choosing a Home Improvement Contractor

4. Ask prospective contractors to show you their home improvement Licenses
   Ask prospective contractors to show you their home improvement licenses. **Check the license expiration date.**

5. **Check contractors licensing status**
   You can confirm that a contractor is licensed by going to the Home Improvement Commission website at: [www.dllr.maryland.gov/license/mhic](http://www.dllr.maryland.gov/license/mhic) and click on “License Search”.
6. Check the contractor’s record

Call the Home Improvement Commission at (410) 230-6309 to check the record of the home improvement contractors. The Home Improvement Commission’s staff can tell you if the contractor is currently licensed, whether complaints have been filed against the contractor, and whether the complaints have been resolved.

7. Request references from the prospective contractor

Ask the contractor for the names and telephone numbers of customers. Check with references about the quality of the work and whether the work was completed on time.

8. Choose the contractor who is right for you

Carefully review the contractor’s estimate, home improvement record, and references. Choose the contractor who best fits your needs and who can provide the best service at the price you can afford.
9. Always get a written contract

Always get a written contract before you permit work on your home to proceed. Make sure the contract includes the approximate date the work will begin, details the type of improvements that are to be made, the materials to be used, the estimated completion date, the contract price and payment schedule. Carefully read the contract before signing. Be sure you check to see if the contract contains an arbitration clause.
10 Tips for Choosing a Home Improvement Contractor

10. Request to see the building permit

Certain types of home improvement work require building permits from your local government. Check with your local licensing and permit department to see if a permit is needed. If it is, make sure the contractor shows you the building permit before you allow work to begin.

BONUS TIP: Do not pay before reading or signing a contract

Maryland law prohibits a contractor from demanding and receiving payment before a contract is signed.
The Home Improvement Guaranty Fund

The Home Improvement Commission administers a Guaranty Fund, which may compensate homeowners for monetary losses resulting from unworkmanlike or incomplete work by licensed contractors. The Guaranty Fund may pay up to $20,000 per individual claim, and the total amount of all claims paid against a single contractor may not exceed $100,000. The Guaranty Fund does not pay claims against unlicensed contractors. To be protected, make sure you use a licensed contractor.

Contact the Home Improvement Commission for details concerning how to file a complaint or claim.
The Maryland Home Improvement Commission (MHIC) has specific requirements for the form and content of every home improvement contract. The contract must be in writing and be legible. Also, the contract must describe each document that it incorporates, and it must be signed by each party to the agreement. The contract also must contain a description of the home improvement to be performed and the materials to be used. Remember, a contract is a legally binding document so it is important to understand what you are signing. The homeowner must receive a signed copy of the contract prior to the work starting.
Contractor’s Contact Information and License Number

A home improvement contract must contain the name, address, telephone number, and MHIC license number of the contractor.

Salesperson’s Name and License Number

If a salesperson solicited or sold the home improvement contract, then each salesperson’s name and license number must appear on the contract. Both the salesperson and the contractor shall sign the contract.

Dates

A home improvement contract must contain the approximate dates when the performance of the home improvement will begin and when it will be substantially completed.
Description of the Home Improvement

The contract shall contain a description of the home improvement to be performed and the materials to be used. Please understand that this section is very important because many disputes can be avoided if the contract clearly states what work will be completed and the quality or brand of materials to be used.

For each contract signed after August 20, 2012, MHIC regulations require that the contract contain the following notice:

1. Formal mediation of disputes between homeowners and contractors is available through the Commission;

2. The Commission administers the Guaranty Fund, which may compensate homeowners for certain actual losses caused by acts or omissions of licensed contractors; and

3. A homeowner may request that a contractor purchase a performance bond for additional protection against losses not covered by the Guaranty Fund. This notice shall be included within the contract.
Deposit and Payments

A contractor cannot accept more than $1/3$ of the contract price as a deposit and may not accept any payment until the contract is signed. The agreed upon price of the home improvement contract should be clearly stated. Beyond the initial deposit, the Home Improvement Law does not control the payment schedule; instead payment terms, including a deposit of less than $1/3$ of the contract, can be negotiated between the homeowner and contractor.

The contract shall contain the agreed consideration, or the amount to be paid pursuant to the contract. If payment will be made by monthly payments, the contract shall state the number of monthly payments and the amount of each payment, including any finance charge.
Door-to-Door Sales Act

The contract may also be covered by the Maryland Door-to-Door Sales Act. If the contract is covered by the Door-to-Door Sales Act, the contractor must include additional information in the contract, including a notice that states that “you may cancel the transaction at any time prior to midnight of the 5th business day after the date of the transaction.” In addition, the cancellation period for a home improvement contract is seven business days if the buyer is at least 65 years old.

A separate “Notice of Cancellation” form must be attached to the contract and filled in with the information about how to cancel the contract. The Door-to-Door Sales Act requires that the contract be written in the same language as that principally used in the oral sales presentation.

Legal Advice

Information contained in this flyer is not legal advice. You may wish to consult an attorney prior to signing any legal document. MHIC staff cannot provide legal advice.

For additional information, please visit our website at www.dllr.maryland.gov/license/mhic
Scams: What You Need to Know

Maryland Attorney General’s Office, Consumer Protection Division
Jeannine Robinson-Hurley, MPS
Maryland Attorney General’s Office, Consumer Protection Division

– The Mediation Unit (410-528-1840/1-888-743-0023) can help you resolve disputes with businesses.

– The Health Education and Advocacy Unit (410-528-1840/1-877-261-8807) mediates billing disputes with health care providers plus coverage or billing disputes with your health insurance company.

– Report scams to us or ask us to find out if something is a scam at 1-888-743-0023 or 410-230-1712 (Spanish).
Telltale Signs of a Scam

• You are asked to **wire** money to someone you don’t know.

• You are asked to use a **pre-paid debit card** or **gift card** to send money to a stranger.

• You are asked to provide **personal information** via the phone, email or text and you didn’t initiate the contact.
Scams to Avoid

- VaxCash scam
- Medicare patient advocate scam
- Grandparent scam
- Utility scam
Protect Yourself Against Scams:

• Don’t respond to calls or texts from unfamiliar phone numbers.
• Don’t click on links in emails and texts — they might be malicious.
• Don’t provide your personal information to unknown sources.
Where to Report Scams

• Local police and Federal Trade Commission: [www.ftc.gov](http://www.ftc.gov)

• MD Attorney General’s Consumer Protection Division:
  410-528-8662 / Toll-free 1-888-743-0023
  En español 410-230-1712

• Scams involving the internet or email: [www.ic3.gov](http://www.ic3.gov)

• Suspected mail fraud: U.S. Postal Service Inspector at 1-800-ASK-USPS (1-800-275-8777)
Maryland Attorney General Office’s Telephone Contacts

• Consumer Hotline for Disputes with Businesses (Report Scams):
  410-528-8662
  888-743-0023 toll-free
  En español 410-230-1712

• Medical Billing/Health Insurance Problems/Health Scams:
  410-528-1840
  877-261-8807 toll-free
  En español 410-230-1712

• Identity Theft:
  410-576-6491, En español 410-230-1712
Insurance Fraud and Scams

Mary Jo Rogers
Consumer Education and Advocacy Unit
maryjo.rogers@maryland.gov
What is the Maryland Insurance Administration

The Maryland Insurance Administration (MIA) is the state agency that regulates insurance in Maryland. The MIA:

- Licenses insurers and insurance producers (agents or brokers).
- Examines the business practices of licensees to ensure compliance.
- Monitors solvency of insurers.
- Reviews/approves insurance policy forms.
- Reviews insurance rates to ensure rates are not inadequate, excessive or unfairly discriminatory.
- Investigates consumer and provider complaints and allegations of fraud.
What is Insurance Fraud?

- Insurance fraud is when an insurance producer, adjuster, or consumer commits a deliberate deception for financial gain. Insurance fraud is one of the most costly crimes in our country - costing about $40 billion per year nationally.

- According to the Coalition on Insurance Fraud, it is estimated that each household pays approximately $1,000 extra in insurance premiums each year to offset the cost of insurance fraud. Committing insurance fraud can result in civil or criminal prosecution, jail time, penalties as high as $10,000, or jail time and penalties.
Insurance fraud takes many forms: completing a false document, making a false statement, an insurance producer pockets a premium, selling unauthorized insurance, exaggerating a claim, billing an insurer for services that were not provided and making a fraudulent claim.

The Maryland Insurance Administration takes insurance fraud seriously, and we investigate all referrals of insurance fraud.
Insurance fraud can be divided into two major categories

1. Fraud by an insurance entity, and
2. Fraud against an insurance entity.
The Insurance Fraud and Producer Enforcement Division investigates complaints against people who are licensed by the MIA to work in the business of insurance, and conducts background investigations of individuals who are applying for a license. The MIA can take action against a licensee if the person violated the Maryland Insurance Article. Licenses issued by the MIA include:

- Producer (Agent & Agency)
- Public Adjuster
- Insurance Advisor
- Title Insurance
- Third Party Administrators
- Bail Bondsmen
Producer (Agent) Enforcement

Examples of Investigations:

- Not submitting premium to an insurer
- Failing to give money owed to an insured
- Selling unsuitable or unapproved products
- Providing false information on an insurance application
- Using contracts that do not comply with Maryland law
- License applicants who have been previously revoked
- Review of misrepresentations in license applications
Fraud by an Insurance Entity

Fraud by an insurance agent, insurance company employee or someone posing as an authorized representative of an insurance company.

- Fake/False Documents
- False Statements
- Pocketing Premiums
- Selling Unauthorized Insurance
Fraud by an Insurance Entity

• Premium Diversion – the embezzlement of insurance premiums

• Churning – the illegal practice of unnecessarily replacing existing life insurance for the purpose of earning commissions
Fraud by individuals, policyholders, medical providers or other service providers against an insurance company to receive money by filing a false claim or inflating a legitimate one

- Arson for profit
- Disaster Fraud
- Creating a fraudulent claim
- Exaggerated Claims (overstating amount of loss)
- Medical Fraud (Medical Mills)
- False Health Claims
Auto Insurance Fraud

Common staged accident schemes:

- Drive-down
- Hit & Run
- Sideswipe
- Swoop and Squat
Auto Insurance Fraud

- Staged accidents with fake injuries
- Jump-in passengers
- Exaggerated injury claims
- Vehicle damage enhanced after the accident
- Claims for pre-existing damage
- Vehicle garaged in another location
- Falsified claims that occurred before policy period began
- False report of hit-while-parked
Homeowners Insurance Fraud

- False reports of theft in home or auto
- Exaggerated claims
- Intentional damage
- Inflating estimates or bills to cover policy deductible
- Concealing residence is used as a rental
Fraud Watch - Contractors

• Most Contractors are honest - but learn the warning signs of a swindle - and how to protect yourself.
Fraud Watch - Contractors

- Check that your contractor is properly licensed.
- Ask for a copy of a current general liability insurance certificate.
- Ask to see a copy of a current workers’ compensation insurance certificate.
- Get a signed contract before the work begins.
- Don’t pay in full before the work begins, or before it is finished.
- Never pay in cash.
Insurance Fraud

Seniors are often targets of insurance fraud, particularly in regard to life and health insurance.

Be wary of a salesperson or telephone caller who:

- Contacts you unsolicited. The salesperson probably has obtained your information through a mailing list.

- Uses high-pressure tactics. Common tactics include offering a “last-chance deal,” or “limited offer” or attempting to pressure you to sign forms without reviewing them.
Insurance Fraud

Be wary of a salesperson or telephone caller who:

• Urges you to cash in an existing annuity or life insurance policy to buy a new annuity, life insurance policy, or other investment. Generally, annuities and life insurance are worth more the longer you keep them. Changing to a new annuity or policy may cause you to lose money over the first three to five years. You also may be charged a penalty if you withdraw money from your annuity early. Discuss the tax consequences of early withdrawal with your tax advisor.

• Claims to be from Medicare, Social Security, or another government agency. An insurance producer or broker who claims to be associated with the government is breaking the law.

• Wants to sell you a package policy that includes several different benefits, some of which duplicate a policy you already have or include coverage you do not need.
Insurance Fraud

You are encouraged to report insurance fraud activities to the Maryland Insurance Administration's Insurance Fraud Division. You need not give your name. Simply call 1-800-846-4069. Consumers may also email fraud referrals by sending completed forms to fraud_referrals.mia@maryland.gov.
Each one of us has a responsibility to keep older adults safe from harm.
WHAT TO DO IF YOU SUSPECT FINANCIAL EXPLOITATION

QUESTION: Does the potential victim have the capacity to provide for his or her daily needs?

STOP: If you believe a crime is in progress or about to be consummated (a senior is about to hand over a large sum of money to a scammer, for example) call 9-1-1 immediately.

STOP: If you are a Mandatory reporter, see reverse of this document for more information.

NO: Call the local Adult Protective Services (APS) office. There is a local APS office in each county's Department of Social Services (as well as Baltimore City's). You can find a list of offices at http://dhs.maryland.gov/local-offices/. Alternatively, you can call the statewide number to report: 1-800-332-6347. APS will send out an investigator.

MAYBE: If you are not sure, you may call APS anyway. APS will make the determination. If your call is made in good faith, there is no downside to calling APS.

YES: Use these links below and on the backside of this document to help you and the victim determine where the exploitation should be reported.

Courtesy of Project S.A.F.E. aging.maryland.gov/Pages/elder-financial-exploitation.aspx
Reporting Elder Abuse

MANDATORY REPORTERS
If you are a health care professional, social worker, police officer, or an employee of a health care facility or financial institution, you are a mandatory reporter of suspected exploitation of elders or vulnerable adults. Report in accordance with your professional obligations. If you are unsure to whom you must report suspected exploitation, ask your supervisor.

Courtesy of Project S.A.F.E. aging.maryland.gov/Pages/elder-financial-exploitation.aspx
How Can You Protect Yourself?

- Talk to someone you trust if you are confused or uncomfortable about a financial decision
- Don’t answer calls from unknown numbers
- Don’t open email, text messages and links from unknown senders
- Remember that scammers often make threats and false promises
- Beware of anyone asking you to pay bills or debts through gift cards or money transfers

Courtesy of Project S.A.F.E. aging.maryland.gov/Pages/elder-financial-exploitation.aspx
How Can You Protect Yourself?

• Don’t take surveys or play games online that ask for personal information.

• Reconcile your insurance, medical, and bank statements to check for fraudulent activities.

• Beware of individuals offering “free” products or services in exchange for personal identifying information.

Courtesy of Project S.A.F.E. aging.maryland.gov/Pages/elder-financial-exploitation.aspx
Contact Information

Maryland Insurance Administration
800-492-6116 or 410-468-2000

www.insurance.maryland.gov
Questions?
maryjo.rogers@maryland.gov