

## **SCAMS REPORT**

### **S.A.L.T. COUNCIL MEETING SEPTEMBER 11, 2017**

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#### **Medical Identity Theft**

Medical identity theft can endanger your health and wreck your finances. It is one of the fastest growing types of identity theft in the U.S. with an estimated 2.3 million cases occurring in 2014. It occurs when thieves steal an individual's medical credentials in order to fraudulently obtain health care services. The stolen information may also be sold on the black market where it can be used to create entirely new medical identities. Medical identity theft is difficult to guard against and can take many years of hard work to clean up all the damage that was done.

How it works: Criminals use victims' birth dates, Social Security numbers, drivers' licenses, Email addresses, and the ID numbers found on insurance cards to obtain medical services. The stolen information is used for physician visits, surgeries, medical equipment, and prescription drugs at hospitals, clinics, doctors' offices, and pharmacies. Opioid painkiller drugs are illicitly obtained in this manner. The fraudulent medical services are added to the victims' private medical records and appear on the insurance carriers' Explanation of Benefits (EOB) letters. Due to delays in posting information about services that were rendered and the fact that many individuals fail to examine the EOB letters when they receive them, these fraudulent services often go undetected for months or longer.

Once the fraud has been detected, it's a cumbersome task to challenge that the claimed services were not authorized or received. As a result, many victims simply give up the fight. In one survey, the majority of such respondents reported that they ended up paying an average of more than \$13,000 to resolve disputed claims for services they never received.

#### **Facts to keep in mind:**

- Medical credentials are more valuable to criminals than a credit card. Credit cards expire and are periodically replaced, thereby making them useless to fraudsters after a time. But stolen Social Security Numbers and personal health information can typically be used by criminals forever.
- When medical identity theft occurs, the fraudster's health information (e.g., history, diagnoses, treatment, medications) is mixed in with the victim's information. Thus, victims may incur long delays in receiving treatment that they legitimately need because of the uncertainty as to what information in their health record is accurate. A victim may conceivably receive treatment for a non-existent condition because of an incorrect diagnosis that appeared in their medical record.
- There is not currently a way that one can "freeze" health care credentials with a centralized reporting agency as one can do with the credit bureaus when credit cards are stolen. Health care activity and suspicious treatment patterns, therefore, cannot be easily monitored.
- Health care providers are trained to be helpful, professional, and courteous to patients and are not likely to be skeptical of their patients' identities.

#### **How to avoid being a victim**

- In order to help your health care providers protect your identity, ask them to scan your driver's license and include it in your medical record. If a fraudster should present an altered driver's license with their picture and your name and personal information in an attempt to receive medical services, the provider would have an opportunity to question the fraudster's identity. Some providers have recently begun taking photographs of patients and including them in the medical records in order to confirm the identity of their patients.
- Review the EOB letters from your health care providers and insurance companies as soon as you receive them. Any discrepancies should be immediately resolved with your providers.
- Watch your purse and wallet at all times. Protect all your personal information such as credit cards, driver's license, Social Security card, Medicare card, Medicaid card, health insurance card, and prescription drug card.
- If your personal information is lost or stolen, immediately file a police report. Be sure to cancel your credit cards, and obtain a new driver's license. Notify your health insurance and prescription drug insurance carriers and request new identification cards. *(courtesy of Bob Rankin and Consumer Reports)*