

Dear SMP:

I have seen many articles in the news about Medicare and Medicaid fraud but how likely is that to affect me. I am a 72 year old retired school teacher who lives in the New York area 8 months out of the year and in Florida in the winter. Most of my physicians are in my home state but I do see a doctor in Florida for my prescriptions. Several of my winter neighbors have told me that when they returned home last year there were charges on their Medicare that they could not associate with any services they had received when at their condo community. Is it realistic to think that I might actually become a victim of Medicare fraud?



Doris

Dear Doris,

According to the Centers for Medicare & Medicaid Services (CMS), Medicare fraud and improper payments cost an estimated \$54.3 billion to over \$60 billion annually with improper payment rates in Original Medicare Fee-for-Service (Part A & B) reaching 6.55% or \$28.83 billion, compared to the FY 2024 reported rate of 7.66%, or \$31.70 billion. Major schemes involve telemedicine, genetic testing, and durable medical equipment, often leading to billion-dollar take downs by the Medicare Fraud Strike Force.

Medicare Advantage (Part C) was created to expand choice and improve care within Medicare. However, ongoing concerns about payment accuracy persist, with some analyses estimating that Medicare Advantage plans receive about 6% more in payments than traditional Medicare - roughly \$23.67 billion annually - though estimates vary depending on the source and methodology. Medicare Drug Coverage (Part D) is another funded product through insurance companies and generates 4.00% or \$4.23 billion. Both Part C and Part D plans have experienced increased fraudulent payments in 2025 over 2024 statistics. Whereas the FY 2025 estimate for Part A/B marks the ninth consecutive year this figure has been below 10%.

Recent trends have found that genetic testing with 35 individuals charged in schemes involving over \$2.1 billion in losses, telemedicine and equipment with 24 individuals charged in cases involving over \$1.2 billion in fraudulent billings and opioid schemes, and over \$160 million in fraudulent claims linked to illegal distribution. The Medicare Fraud Strike Force has charged over 4,000 defendants in fraudulent schemes totaling billions of dollars. The average prison sentence for healthcare fraud is 27 months, with 74.7% of convicted individuals receiving prison time.

Improper payments are not exclusively fraud and may include payments that did not meet billing requirements, lacked documentation, or were made to ineligible beneficiaries. Fraud is intentionally billing for services not rendered or not medically necessary. These include billing for unnecessary genetic tests or durable medical equipment (DME); upcoding or billing for a more expensive service than provided; and telemedicine companies paying for prescriptions without patient contact.



Where you live and the physicians you use are also significant factors. Medicare and Medicaid fraud rates are significantly higher in certain states, often referred to as a "fraud belt" along the sun belt, including Florida, California, and Texas, and with New York, and New Jersey, which together account for 44% of flagged providers. Fraud often follows high elderly populations, with many cases centered in Florida and Southern California. Studies have shown that physicians with dishonest billing practices concentrate on communities where beneficiaries live "part-time" and use physicians out-of-state on a more consistent basis. This pattern makes billing fraud more difficult to tract as the winter address the beneficiary gives at the time of service is not the one registered with Medicare.

Yes, it is realistic to think that you might actually become a victim of Medicare fraud. As a "snow-bird" you are a target. To assure you don't, be watchful. Register with [Medicare.gov](https://www.medicare.gov) and check your Medicare statements frequently especially if you are being seen by physicians outside your usual network. For Medicare Advantage Plans, you must use network providers for a claim to be paid and you should notify your plan in your hometown when you plan to reside elsewhere for any extended period. Be wary of deliveries of DME to your winter address as that may be a fraudulent scheme.

The Senior Medicare Patrol (SMP) is active in many localities and can assist with resolving your concerns. To avoid becoming a victim of fraud or if you think you've been a victim, you should follow Senior Medicare Patrols message which is to **Prevent, Detect and Report!** It is very important that you know what is going on with your Medicare benefits. You should carefully review your Medicare Summary Notice (MSN) for Original Medicare or Explanation of Benefits (EOB) for Medicare Advantage Plans. Any services that you did not receive or were not provided by your healthcare provider may be an error or a fraudulent billing. If you suspect that to be the case then contact your local SMP by clicking [here](#) for assistance in clarifying the claim. In Georgia, Louisiana, Mississippi, and Vermont click [here](#).

Lynn Rosenblatt, RN (retired) & SMP Volunteer



Do you have a Medicare fraud or scam question for SMP?
If so, please email ASK SMP to smp@advisewell.org



Webinar Wednesdays w/ SMP:

May 20th 10:30CT/11:30ET - Protecting Your Loved Ones from Scams

June 24th 10:30CT/11:30ET - Answer the Call: SMP Needs You!

July 29th 10:30CT/11:30ET - Did my doctor order this? DME Scams

Click on links above to register.

