SMP
Senior Medicare Patrol
Preventing Medicare Fraud

ASK SMP

June 2026

Dear SMP:

Much has been written about Medicare and Medicaid fraud and billing abuse but there is never a clear definition as to what each entails other than associated criminal investigations. Most seniors like myself are likely not aware that there is a significant difference between the two but exactly what each entails is not readily identifiable. Could you please explain the difference and what beneficiaries need to do when confronted by either one?

Lou

Dear Lou,

While both are concerning, Medicare billing abuse is generally much more common than outright Medicare fraud. While both terms result in financial losses to the government, they are distinguished by intent, which dictates how frequently they occur and how they are handled.

Abuse refers to practices that result in unnecessary costs to Medicare or improper payments, but do not involve deliberate deception or criminal intent. It often involves coding errors, billing for non-covered services, or providing services that are not medically necessary.

Billing abuse is more common because healthcare providers make errors due to the staggering complexity of Medicare's 20+ payment systems. Because healthcare billing is highly complicated, human error and confusion regarding complicated policies account for a massive share of the billions in improper payments. While not necessarily malicious, it drains taxpayer funds.

Examples of abuse include when a provider bills for a more complex or expensive medical procedure than the one actually performed in order to get a higher reimbursement. This is referred to as upcoding. Unbundling is when individual parts of a medical procedure are billed as separate services, which costs more than if they were billed as a single, combined procedure. Billing for unnecessary services or substandard care are also considered abusive billing practices.

A legitimate medical mistake, coding error, or a denied claim does not constitute billing abuse. Simple human errors, such as a missing digit on a form or a misunderstood billing rule that is promptly corrected once identified, are not criminal acts. Additionally, legitimate medical treatments that are prescribed in good faith by a doctor—even if the treatment is ultimately unsuccessful—are perfectly legal.

Fraud involves deliberate actions to cheat the government and taxpayers out of money. It is a serious crime that can result in fines, imprisonment, and exclusion from the Medicare program. While fraud costs taxpayers billions annually, it requires malicious, premeditated intent by bad actors.

ASK SMP

June 2026

Examples of criminal fraud include charging Medicare for medical appointments, equipment, or tests that the patient never received and/or were never rendered. Changing dates of service, patient diagnoses, or medical records to make it appear that a service was medically necessary or took place when it didn't is another tactic.

Identity theft and unauthorized use of a beneficiary's Medicare card or number to obtain medical care, prescription drugs, or equipment is another common type of fraud. Offering, paying, or receiving money or gifts in exchange for referring a patient for medical services or prescribing specific drugs is referred to as kickbacks and is illegal.

Because fraud is a serious federal crime that can result in prison time, heavy fines, and exclusion from participating in federal healthcare programs, the actual volume of intentional fraudulent claims is smaller than the volume of unintentional or negligent billing. If you suspect you have been a victim of either, you can verify your records using your official medicare.gov account and/or report suspicious activity to the official Senior Medicare Patrol (SMP) program in your state.

SMP's mission is to educate seniors on protecting their Medicare and Social Security numbers as they would a debit or credit card. The program also encourages individuals to keep track of visits to the doctor, clinic, hospital, or pharmacy and compare them to their MSN or EOB, reviewing for potential errors, fraud, or abuse; reporting possible scams and fraud issues immediately by contacting SMP for assistance with Medicare scams, waste, or abuse.

Become proactive in the fight against Medicare fraud by volunteering for the SMP program. Volunteering for SMP is extremely flexible and is done on an as-needed basis. Volunteers are offered different opportunities and determine how often they would like to participate. Volunteers who give presentations are trained by SMP to present on SMP topics and interact with the audience by answering questions and engaging in discussions. During orientation, volunteers receive scripts and other materials to help them as they start their journey as SMP volunteers. If you are interested in learning more about volunteering for SMP, please call the toll-free hotline number at 877-272-8720 or email smp@advisewell.org.

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:

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.

This project in Georgia, Louisiana, Mississippi, and Vermont is supported by the Administration for Community Living (ACL), US Department of Health and Human Services (HHS) as part of a financial assistance award totaling $2,177,422.00 with 100 percent funding by ACL/HHS. The contents are those of the author(s) and do not necessarily represent the official views of, nor an endorsement, by ACL/HHS, or the US Government.