



**Statement of
Rebecca Nurick
Program Manager, Pennsylvania SMP**

Center for Advocacy for the Rights and Interests of the Elderly (CARIE)

On

“Fighting Fraud and Waste in Medicare and Medicaid”

**Before the
Subcommittee on Labor, Health and Human Services, Education, and Related
Agencies**

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**Center for Advocacy for the Rights and Interests of the Elderly (CARIE)
100 South Broad Street, Suite 1500
Philadelphia, PA 19110
800-356-3606
www.carie.org**

My name is Rebecca Nurick and I am the Program Manager of the Pennsylvania SMP at the Center for Advocacy for the Rights and Interests of the Elderly (CARIE). Established in 1977, CARIE is a private non-profit organization dedicated to improving the quality of life for frail older adults.

Good morning Chairman Harkin, members of the Subcommittee and staff. Thank you for convening these hearings and for the opportunity to present testimony today.

Senior Medicare Patrol

The national Senior Medicare Patrol (SMP) has been very busy since its inception in the mid-1990's. The Pennsylvania SMP began as one of 12 local demonstration projects across the country through an initiative called Operation Restore Trust begun by Senator Harkin. Senator Harkin had the foresight to see the need for a grass roots approach to curbing fraud and abuse in Medicare. Today there are 54 SMP programs, one in every state as well as the District of Columbia, Guam, U.S. Virgin Islands and Puerto Rico. These programs are well supported by the national SMP Resource Center.¹ Health care fraud is a serious problem. In 2009, more than \$48 billion was lost to fraud, waste, and abuse. SMP staff and volunteers have spoken to beneficiaries in communities throughout the country about a myriad of issues, such as durable medical equipment fraud, providers charging for more costly procedures than those actually rendered, home health agencies billing for services provided by unauthorized and/or unqualified personnel, and marketing abuses by health insurance companies, just to name a few.

To address these issues, our project and other SMPs, utilize a peer education model envisioned by Senator Harkin: SMPs recruit and train senior volunteers, Medicare beneficiaries, to conduct outreach and education to their peers, caregivers, and professionals about Medicare and Medicaid fraud prevention. The primary message here is that there *is* something that beneficiaries can do about the problem.

The project's goals are twofold: first, to educate and motivate consumers on how to prevent, detect and report healthcare fraud, errors, and abuse; and second, to receive, investigate and refer, as appropriate, complaints of potential healthcare fraud. So why is this important? Indeed, fraud costs Medicare over \$48 billion each year - a massive financial loss to the government and beneficiaries. Fraud also can cause people to lose access to care, suffer inappropriate or low quality care, lose benefits, and receive unnecessary or faulty equipment, the wrong drugs or other things they do not need - all affecting their health and well-being.

Health Care Fraud

What does health care fraud look like? I will tell you about some of the scams and fraud that our SMP has encountered.

We were contacted by a beneficiary who was a retired medical office worker about a company that was going around in a van, getting personal information from residents (Medicare numbers, birth dates) and dropping off scooters. When the company came to her home, she told

¹ The National Consumer Protection Technical Resource Center at www.smpresource.org.

them that she would not divulge any information, and demanded that the van driver and his counterpart leave her property immediately. After two days of harassment, she threatened to call the police and they left her alone. The company ultimately did have some information about her, and managed to bill her Medicare number for a \$5,000 scooter that she never received. Company employees are currently under indictment because SMPs, in addition to other organizations, reported the problem to CMS.

Another beneficiary called our SMP with a concern about charges on her Medicare Summary Notice. The beneficiary went to her primary doctor with a sore throat and fever. The doctor used a tongue depressor to look at her throat, wrote a prescription for her and then she went home. Her total visit time was about 10 minutes. She later checked her Medicare Summary Notice (MSN) and saw that the doctor had billed for an expensive laryngoscopy. The office corrected the “mistake” after we called it to their attention.

The last example concerned a health care provider going to senior housing buildings in Philadelphia and buying Medicare numbers for \$10, then providing a cursory diagnostic exam. The exams consisted merely of checking blood pressure and taking a temperature, but Medicare was billed for multiple, costly tests. Since no one should offer money or free items for Medicare numbers, we tell people to guard their Medicare number as if it were a credit card number.

Volunteer Impact

The success of the SMP program is a direct result of its volunteers. Volunteers have extensive training and show extreme dedication to the fight against fraud. Terri Ivers, a retired government worker from Langhorne, PA became a SMP volunteer because she had strong feelings about justice and law. She has been a volunteer for 14 years and was recognized for her work by the U.S. Administration on Aging. I am attaching a flyer recently created for outreach purposes. It features a few of our PA SMP volunteers. The photo reflects what a serious matter the volunteers consider fraud to be.

Nationwide, the SMP program has trained 60,000 volunteers, handled over 104,000 complaints, and educated 2.3 million people. Millions more have been made aware of the problem through television, radio, and newspaper interviews, as well as distribution of consumer education materials.

The numbers are significant, but what is more important here is why those numbers matter: beneficiaries are the FIRST line of defense in the fight against fraud and abuse. They are on the front lines. When more people become aware of the issues that confront Medicare, the better able they will be to protect themselves as well as the essential health care on which they depend.

Detect, Protect, and Report

So what can beneficiaries do to protect themselves? SMP volunteers teach their peers practical, simple, and effective ways to protect themselves and their health care system. The essence of the message is to “Detect, Protect, and Report.”

SMP volunteers suggest that beneficiaries:

- Keep a calendar of all health care visits and services (tests, equipment, etc.) Compare these records to Explanations of Benefits or Medicare Summary Notices to detect any inaccuracies.
- Protect Medicare or Medicaid numbers as if it were a credit card number.
- TRUST THEIR INSTINCTS. If something sounds too good to be true, it probably is. Beneficiaries should report suspicious callers or charges.
- Never give any personal information (such as Medicare or bank account numbers, birth date) to callers or people who show up at your door.
- Always rely on their personal doctor to recommend all medical services and equipment.
- Know that Medicare and Social Security will never try to sell a service or product.

Conclusion

We hope that our testimony today will help to strengthen the message that Medicare and Medicaid fraud and abuse prevention, through protecting information, detecting problems, and reporting concerns, is essential, and that beneficiaries across the nation are ready and willing to protect themselves and their vital health care.

Thank you for the opportunity to speak with you today about this critical issue and for championing the fight against Medicare and Medicaid fraud.