

# United States Senate

WASHINGTON, DC 20510

July 19, 2018

Ms. Seema Verma  
Administrator  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, District of Columbia 20201

Dear Administrator Verma:

In a major move to combat fraud and identity theft, we were pleased to support the law prohibiting inclusion of Social Security numbers (SSNs) on Medicare cards. This action was long recommended by advocates and security experts and promises to go a long way toward protecting the identity of older adults and people with disabilities who have Medicare. Due to a lack of sufficient education and outreach, however, the transition to new cards has brought with it additional confusion and potential for fraud. We are writing to express our concerns with your agency's efforts to inform older adults and people with disabilities about the transition to new Medicare cards and to request answers to help us understand the reasons for public confusion.

To accompany the rollout of the new cards, people with Medicare should benefit from a robust and well-designed education and outreach campaign—one that anticipates the creativity of con artists and the potential for new frauds and scams. Further, our nation's older adults and people with disabilities should have full confidence that they can continue to count on Medicare throughout this critical transition period. Recent input from consumer service organizations and our constituents leads us to believe that the agency's current outreach efforts are falling short of these important goals.

To facilitate the transition to new Medicare cards, which replace SSNs with unique, Medicare Beneficiary Identifiers, we provided three federal agencies, including CMS, with \$320 million. It was Congress' intention that a portion of those funds be allocated for the purpose of engaging in education and outreach to older adults and people with disabilities about the new cards. Yet, as recently as March, just one month before CMS began issuing the new cards, an AARP survey found that 76 percent of adults ages 65 and older had not, to their best knowledge, encountered any information pertaining to the new Medicare cards. That same survey also found that almost two-thirds of Medicare beneficiaries falsely believed (or were unsure) that they would be charged a processing fee for their new card.

These deficits in public knowledge greatly increase the risk of fraud. Already, national consumer service organizations including AARP, National Council on Aging and Medicare Rights Center have warned of emerging scams. A number of these organizations have issued alerts that scammers may be calling, claiming to represent Medicare or some other government entity, in an attempt to solicit seniors' bank account information, under the guise of needing to make a remaining balance transfer from the beneficiary's old Medicare card. Other organizations have

warned that fraudsters may be trying to obtain beneficiaries' SSNs, either claiming that they must first verify beneficiaries' personal information before Medicare can issue the new card, or in more extreme cases, threatening beneficiaries with cancelation of their Medicare coverage unless they provide their SSNs. Finally, some organizations have warned that fraudsters may be attempting to collect processing fees, claiming a fee is required to issue a new card.

These developments are deeply troubling. We therefore request a written response and a staff briefing from CMS by August 2, 2018 detailing the following:

1. Actions taken and planned to provide education and outreach to beneficiaries regarding the new Medicare cards, including beneficiaries with unique needs, such as in cases where English is a second language and those living in rural communities;
2. Actions taken and planned to provide education and outreach to health care providers regarding the new Medicare cards;
3. Actions taken and planned to prevent fraud during this rollout;
4. A breakdown of funds spent and funds set aside for card development, card printing, card mailing, beneficiary education/outreach, provider education/outreach, and all other major expenses associated with this transition;
5. Any expenses projected to exceed those funds previously made available by Congress for this purpose; and
6. Actions taken by your agency to resolve complications with address verification which, as we understand, has precluded the issuance of approximately 5 to 10 percent of the new Medicare cards to current beneficiaries.

Thank you for your assistance in this matter. We look forward to continuing to work with CMS to ensure the health and financial security of our nation's older adults and people with disabilities.

Sincerely,



Robert P. Casey, Jr  
Ranking Member  
U. S. Senate Special Committee on Aging



Ron Wyden  
Ranking Member  
U.S. Senate Committee on Finance