

## **Protecting Seniors from Identity Theft: Is the Federal Government Doing Enough?**

Testimony of Betty Balderston  
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Chairman Collins, Ranking Member McCaskill, and Members of the Committee, I am Betty Balderston, Statewide Coordinator for the Maine Senior Medicare Patrol (SMP) at Legal Services for the Elderly. I am honored to be here today to share information on how the SMP programs in Maine and across the country provide outreach, counseling, education and assistance to Medicare beneficiaries, their families and their caregivers, empowering them to prevent Medicare errors, fraud and abuse, including Medical Identity Theft.

According to the August 21, 2015 Memorandum Report: Performance Data for the Senior Medicare Patrol Projects from the Office of Inspector General, in 2014 the 53 SMP projects nationwide had 5,294 active volunteers, conducted 14,692 group education sessions and 202,862 one-on-one counseling sessions. As a result of this outreach, education and counseling, the OIG reported that the SMP projects achieved \$942,159 in Medicare and Medicaid recoveries, savings and cost avoidance. The report emphasized that the SMP projects may not be receiving full credit for savings attributable to their work, since it is not always possible to track referrals to Medicare contractors or law enforcement from beneficiaries who have learned to detect fraud, waste, and abuse from the projects. In addition, the report states that the projects were unable to track the substantial savings derived from a sentinel effect whereby fraud and errors are reduced by Medicare beneficiaries' scrutiny of their bills.

In partnership with the Maine Department of Health and Human Services-Office of Aging and Disability Services (OADS), Legal Services for the Elderly (LSE) and

Maine's Area Agencies on Aging (AAAs), the Maine SMP recruits, trains, manages and supports over 80 volunteers statewide, most of them seniors themselves. These volunteers provide presentations on a variety of Medicare issues that include information about benefits, costs and how Mainers can protect themselves from fraud and scams. Since the Maine SMP works in conjunction with the Maine State Health Insurance Assistance Program (SHIP), volunteers also provide one-on-one counseling sessions where Mainers receive information on Medicare benefits, costs, and programs that can help pay for costs, as well as information on the importance of reading Medicare statements and reporting any issues with those statements, such as Medicare paying for services and/or supplies that were never received. The Maine SMP also serves as a resource for Medicare beneficiaries, their families and caregivers for assistance with billing issues, as well as reporting possible healthcare fraud and other types of scams to the appropriate State and Federal agencies. Since Maine is a large, rural state, the SMP/SHIP programs have a long history of working with a variety of local, regional and national partners and collaborators to meet the needs of Mainers statewide. In addition to OADS, LSE and the AAAs, partnerships also include the Administration for Community Living (ACL), the Centers for Medicare and Medicaid Services (CMS), the Office of Inspector General (OIG), the Maine Attorney General's Office, AARP, the Long-Term Care Ombudsman Program, the Maine Resident Service Coordinators Association, state and local law enforcement, and others.

Although Maine does not have a high rate of healthcare fraud, we have received complaints related to Medical Identity Theft. In January 2013, at the request of the Maine SMP, the Maine Attorney General's Office issued a Consumer Alert warning consumers about recent reports of calls from individuals claiming to represent Medicare (see attached). The callers claimed that Medicare was issuing new Medicare cards and asked for the consumer's Medicare number, the name of their financial institution and their financial routing and account numbers. The Consumer Alert advised anyone who provided this information to review their Medicare statements carefully for the next year and to contact 1-800-Medicare immediately if anything questionable appeared on their Medicare statements. Mainers were also instructed to notify their financial institution

about the possibility of their account being compromised. In the alert, Attorney General Janet Mills was quoted as saying “Mainers can protect themselves by never giving any personal information to anyone over the phone.” Since Congress ordered Social Security numbers be removed from Medicare cards, these types of calls are continuing.

Similar scams have been reported by SMP programs in other states. According to the SMP National Resource Center, shortly after the Affordable Care Act was signed, the Missouri SMP reported that a man claiming to represent Medicare visited senior housing facilities in St. Charles, claiming Medicare beneficiaries needed to replace their Medicare plans with an “Obamacare” plan due to healthcare reform. In July of this year, the California SMP reported that a Medicare beneficiary received a call from someone claiming to be from Medicare who wanted to set up a home visit. The beneficiary provided her name, address, telephone number and Medicare number. Since no one showed up for this scheduled home visit, the beneficiary believed that her personal information had been stolen.

These are just a few examples of the scams that are perpetrated against Medicare beneficiaries across this country every day. On behalf of the SMPs nationwide, I applaud the efforts of Congress to eliminate the use of Social Security numbers on Medicare cards. This change will help address the issue of Medical Identity Theft, as well as Identity Theft. However, our work is not finished. Scam artists are always ready to take advantage of people in every state in this country, especially vulnerable seniors and people with disabilities. They are experts at gaining trust and stealing money and benefits from unsuspecting victims. The SMPs are the front-line, boots-on-the-ground programs that provide outreach, education, counseling and assistance to individuals every day. Our volunteer programs work, with seniors helping seniors, every single day, to help some of our most vulnerable citizens remain safe and to protect their identities. Over the next four years, as CMS continues their work of transitioning to new Medicare cards, the SMP programs nationwide will continue our work, providing education about Medical Identity Theft to Medicare beneficiaries, their families and caregivers, empowering them to protect their identities and to safeguard the Medicare program.

By working together, we are making a difference in the lives of seniors and people with disabilities nationwide, empowering them to protect themselves against fraud and scams, assisting them when their personal information has been compromised and educating them about Medicare benefits and costs. With 10,000 baby boomers aging into Medicare every day, our work is more important than ever before, helping the Medicare program to be sustainable for the future. We look forward to ongoing support from Congress, the OIG, CMS and other partners as we continue our mission to Protect, Detect and Report health care fraud.

Thank you, again, for the opportunity to provide a brief glimpse of the important work of the Senior Medicare Patrol Programs. I would be happy to answer any questions you may have.