

SMPs, the FTC, and Telephone Solicitation of Beneficiaries

By Ginny Paulson

SMP Resource Center Director

“Hello. I’m from Medicare and I’m calling because I need to send you a new Medicare card. To do so, I just need to verify your bank account number.” Sound familiar? How about, “You have been preselected to receive a free Medical Alert system.” You’ve probably heard that one too.

These types of calls are frequently reported by SMPs and the Federal Trade Commission (FTC) is interested.

The FTC looks to SMPs to help identify health care scam trends targeted at Medicare beneficiaries. Though the FTC does not provide case management services to individuals, it still needs to hear from the public in order to detect patterns of wrongdoing that can lead to investigations and prosecutions. Though the public can complain to the FTC directly, the SMP is a known local resource and many such complaints come directly to SMPs. When telephone scams use the Medicare program or Medicare-covered services in their ruse to steal from beneficiaries or Medicare, it is an SMP complex issue. Even when beneficiaries do not give out their Medicare number, having information about attempted scams in SMART FACTS as macro-level complex issues allows ACL and The Center to report on trends.

This does not change our existing protocols regarding suspected Medicare fraud and abuse, of course. For example, when a beneficiary gives out his or her Medicare number, we know the Office of Inspector General (OIG) will want to hear about it because it is suspected medical identity theft. However, SMPs often ask, what if savvy beneficiaries know better and simply hang up on telephone scam artists? What should SMPs do about those calls? Or, what if beneficiaries only give out their bank account number in response to a Medicare-related scam, becoming potential victims of financial abuse but not Medicare fraud? Enter these incidents as macro-level SMP complex issues using The Center’s tip sheet.

The Center was able to respond to two requests from the FTC this past summer – one regarding the Medical Alert scam and one regarding calls with offers of new Medicare cards – using the SMP Complaints Report in SMART FACTS. Personal identifying information about Medicare beneficiaries was removed before sharing and the FTC was asked to follow up with SMPs individually with questions, if necessary.

Medical Alert Scams

In May and June 2013, six SMPs reported incidents of calls related to a “free Medical Alert system.” The calls were not from the legitimate company, MedicalAlert, which published a fact sheet about the scam. ACL sent the fact sheet to the SMP listserv and The Center posted it on our home page (www.smpresource.org). SMPs reporting these scam calls as macro-level complex issues were California, Nevada, Pennsylvania, Vermont, Virginia, and Texas.

continued

“New Medicare Card” Scams

SMPs have been reporting variations of this particular scam since the inception of the SMP program. The scam adapts to the changing health care climate (such as when the Affordable Care Act was passed), but the central theme remains: an attempt at stealing Medicare, Social Security, or bank account numbers. The Montana SMP received news coverage about recent reports of this scam from beneficiaries in July. The FTC picked up on the news and inquired about trends to ACL and The Center. We found that 14 other SMPs had reported a variation of this scam in the previous two months. Often the caller was reported to have a strong accent, though the types of accents varied. Several calls originated from the phone numbers 786-358-6691 or 409-574-1214. SMPs reporting these scam calls as macro-level complex issues were Alaska, California, Colorado, Delaware, Indiana, Louisiana, Maine, Maryland, Nebraska, Ohio, Oregon, Tennessee, Virginia, and Texas.

SMP Niche

While SMPs are just one entity that refers suspected fraud and abuse to the proper authorities, we are the primary educators who help Medicare beneficiaries avoid such scams. We also serve as the local level eyes and ears who can funnel key information about trends to the federal level. Sometimes, that even means to the FTC.

Resources

- Medical Alert Scam: <http://www.smpresource.org/docs/MedicalAlertAdJune24.pdf>
- News article about the Medicare Card scam in Montana: <http://www.kpax.com/news/medicare-card-scam-reported-in-western-montana/#>
- Telephone Solicitation of Beneficiaries and SMP Complex Issues: <http://www.smpresource.org/Content/NavigationMenu/ResourcesforSMPs/Training/ComplexIssuesReferralsTraining/Telephone.Solicitation.of.Medicare.Beneficiaries.pdf>
- Macro-Level Complex Issues: Chapter 6 of the SMP Complex Issues and Referrals manual: <http://www.smpresource.org/Content/NavigationMenu/ResourcesforSMPs/Training/ComplexIssuesReferralsTraining/ComplexIssuesandReferralsTrainingManual/6.Complex.Issues.Manual.Chapter6.pdf>
- The FTC on its role in addressing scams: <https://www.ftccomplaintassistant.gov/>
- Using the SMP Complaints Report in SMART FACTS: SMART FACTS manual, Chapter 8, Page 142



Editor’s Note: *A story about how the California SMP addressed the Medical Alert scam can be found in [Beneficiaries Avoid Growing Medical Alert System Scam](#).*