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# Medical Identity Theft

Presented by  
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# Disclaimer

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Remember at least one thing from this presentation.....

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This is NOT a how to course!

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# More than 3000 complaints per day

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- Home
- Minimize Your Risk
- If You're a Victim
- File a Complaint
- Federal Laws
- State Laws
- Reports & Testimony
- Cases & Scams
- Links & Publications



# Medical Identity theft and healthcare fraud

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- ❑ Fraud is loosely defined as the intentional deception to gain a benefit you are not entitled to
  - ❑ In other words 'telling a lie', knowing something is wrong, and doing it anyway
  - ❑ The crime that costs us all!
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# Medical Identity Theft

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- What is your risk as a provider?
  - What is your risk as a patient?
  - What is your risk as a consumer?
  - What is your risk as a payer?
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# Can you spot the imposter?

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# Identity thieves have many faces

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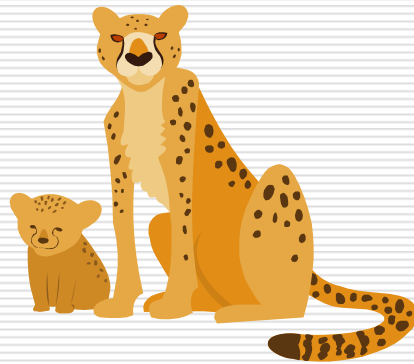
- They are not afraid to be LION to you



# Identity thieves are not afraid to....

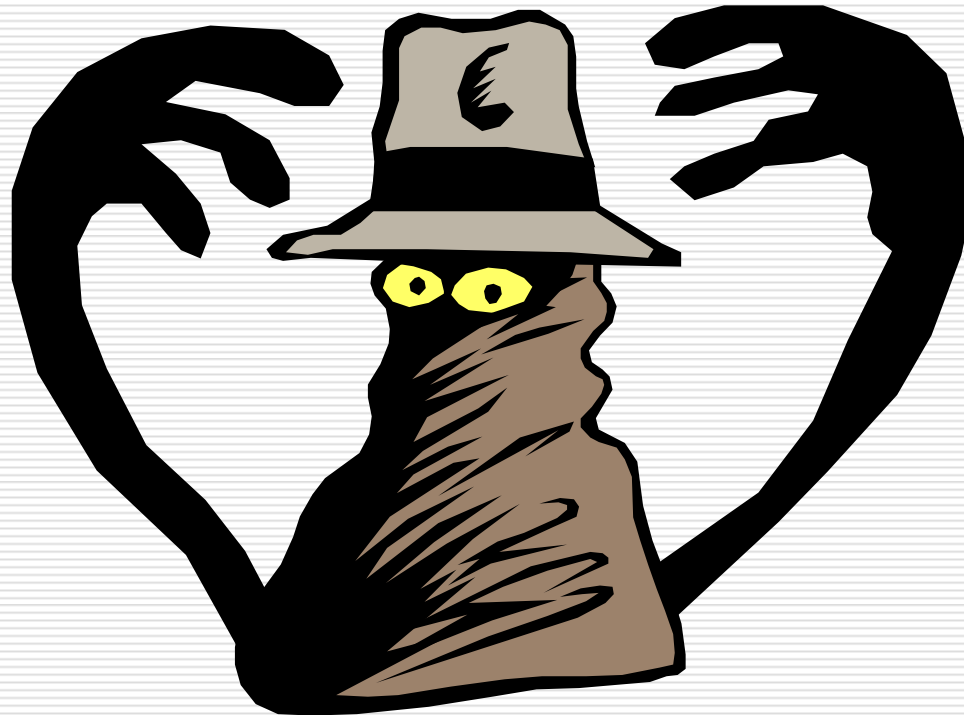
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Be CHEETAH on everyone.....



Once identity is stolen, it can be a nightmare

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Don't be afraid to be asked for your picture id

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# Provider offices – protect yourselves !

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## The easiest solution

- Pictures of patients for the charts
- Government issued identification
  - Drivers License
  - Passport
    - NOT YOUR COSTCO CARD!



How do identity thieves get your information?

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It's easy

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They steal your mail, your insurance cards, EOB's, vouchers, provider id numbers, bank and credit card statements, pre-approved credit offers, telephone calling cards, tax information

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## MAIL THEFT



# Tax time warnings

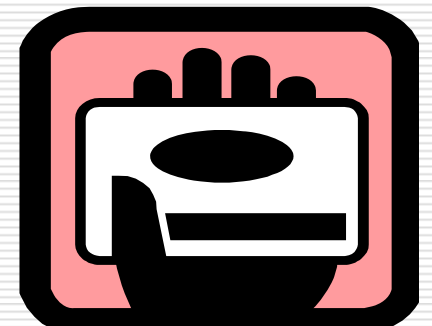
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- ❑ Tax forms contain all the information thieves need to become YOU!
  - Social Security numbers
  - Home address
  - DOB
  - Employer Information
  - Address
  - Dependent names
  - Provider numbers?
  - Prescription pads





# Identity Theft and the Consumer



# You will learn

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1. How Identity thieves get your personal information.
2. How they use it.
3. What to do if it happens.
4. Tips to protect yourself.



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# How identity thieves get your personal information:

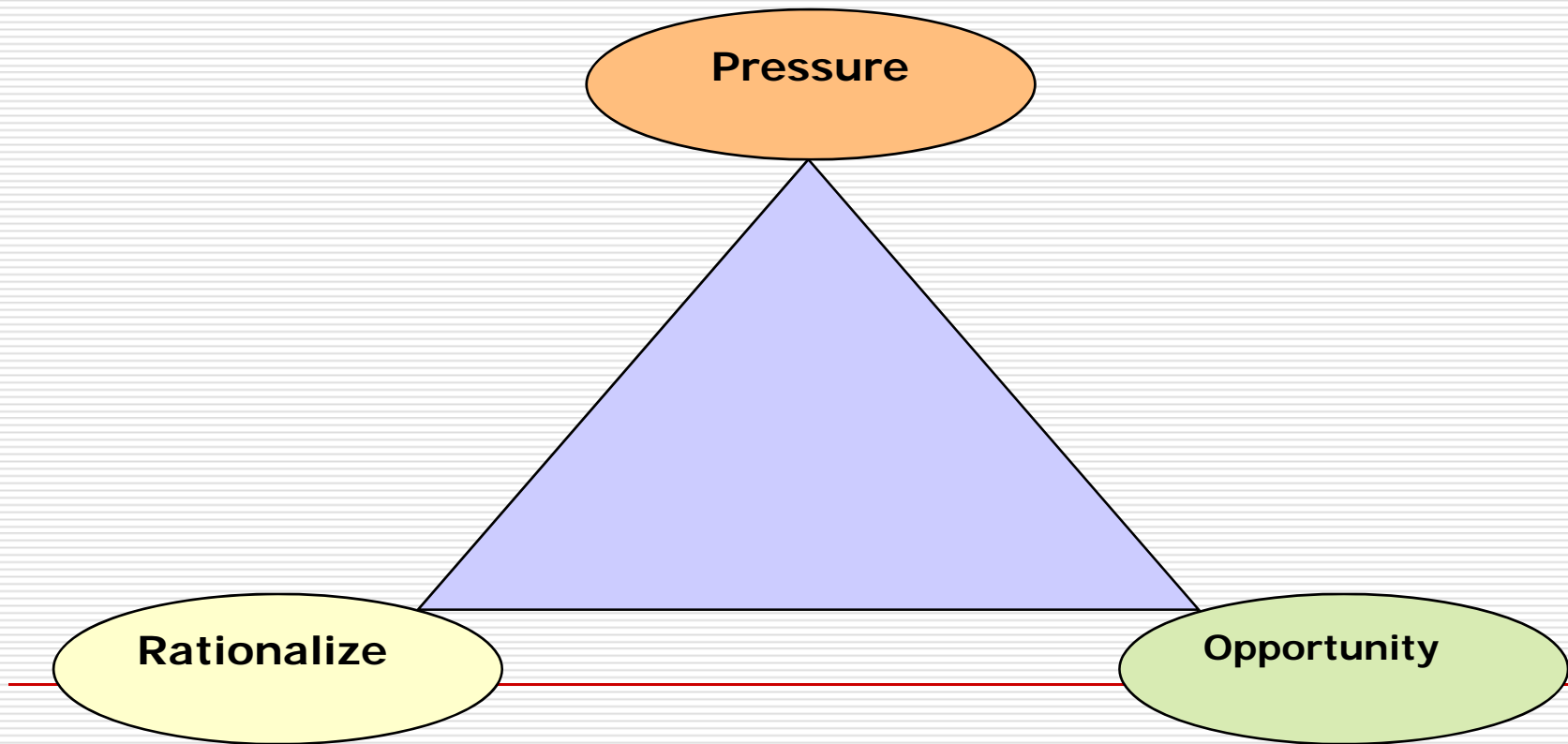
They steal wallets and purses containing your identification



# Fraud and the economy

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- When the economy takes a downturn, crime increases



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- Consumers become desperate
  
  - Faced with pressure, opportunity and rationalization, normally honest people commit fraud
    - Initially the act may be an innocent mistake
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# Example

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- A 26 year old book keeper at a physician office was experiencing significant financial difficulty. (pressure). She controlled all bank deposits and was never questioned. (opportunity). The physician practice made more money each year, she figured why not take a little money for herself every month, who would notice, after all, the physician did not really need all the money they made and she really needed the money, she worked as hard as they did. (rationalization) TRUE STORY
-

# More desperate acts.....

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- Submitting false health insurance claims
  - Services never occurred but 'added-on' to legitimate bill
  - Charge or paid amount is increased
  - Prescription is altered prior to submitting to pharmacy
  
- Altering claims prior to submitting to health plan
  - Increasing the charged / paid amount
  - Creating bills
    - Medical, dental, pharmacy

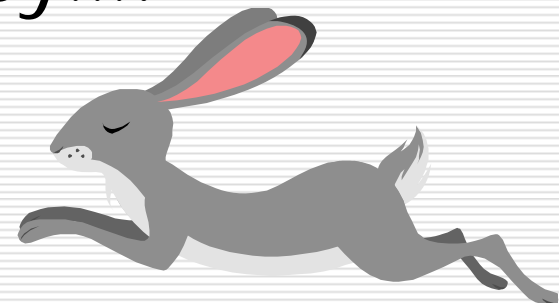
**All of the above have been actual cases investigated**

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# True story.....

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- Ronald goes to a new physician for a back injury. After the 99203, the physician writes a prescription. The patient takes the prescription to the pharmacy, but something happens on the way to the pharmacy....



***What is wrong with this rx?***

**FAX**

R.Ph.  
R.Ph.


Date:  
Number of Pages:  
Phone: (503) 654-3693  
Fax: (503) 654-0059

Telephone: (503) 654-6636 10-16-99 -DEA # PE [redacted]  
WILLAMETTE MEDICAL ASSOCIATES MCA  
DANIEL HUTTON, PA.  
10000 S.E. 32nd Ave., Ste. 200 Medford, OR 97504

Name: Ronall Date: 2-03-00  
Address:

B Flexril 10m ii po q. 4-5. #28  
Ibuprofen 800mg i po bid #52 x1  
Vicodin 4-6- #72 x1  
only.

LAM  
FORM 1-3-4-1999

 PA

# Consequences for rabbiting....

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# More desperate acts and your DMV files

- Look at your driver's license
  - Note the personal information on it
- More is on file with your state Department of Motor Vehicles (DMV)
- State DMV may only distribute your personal information for law enforcement, court proceedings and insurance underwriting purposes



# Change of Address

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- The fraudsters complete a "change of address form" to divert your mail to another location.
  - Could this include check for your practice?
  - Have you notice a change in the mail service?
-

# Vacant house scam



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- ❑ A local real estate agent returned to his old neighborhood to visit some old friends. The mailman recognized him, and advised he was delivering mail in the agents name to a vacant house that happened to be listed by this agent in the neighborhood. Credit cards had been applied for using the vacant home, and the listing agents name. A report was made to the police. TRUE STORY
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# Dumpster Diving

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- ❑ They rummage through your trash, or the trash of businesses, for personal data in a practice known as "dumpster diving."



ADVICE.....

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SHRED!

SHRED!

SHRED!

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# Posing as legitimate

- ❑ They fraudulently obtain your credit report by posing as a landlord, employer, insurance agent or someone else who may have a legitimate need for — and a legal right to — the information.
- ❑ It may take only a phone call



# Where else?

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- They get your business or personnel records at work
- They find personal information in your home
- They use personal information you share on the Internet



# Buy Personal Information

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- ❑ They use a deceased persons social security number
  - ❑ They use the same social security number multiple times
    - Can be purchased for \$50 on the street corner
  - ❑ They buy your personal information from "inside" sources.
  - ❑ Example:
    - an identity thief may pay a store employee for information about you that appears on an application for goods, services or credit.
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# How identity thieves use your personal information:

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# Change of Address

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- They call your credit card issuer and, pretending to be you
- They ask to change the mailing address on your account
- They may even call YOU posing as a credit card company
- Then run up charges on your account
  - Bills are being sent to the new address, it may take some time before you realize there's a problem



# New Credit Cards

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- They open a new credit card account, using your name, date of birth and SSN. When they use the credit card and don't pay the bills, the delinquent account is reported on **your** credit report.



# Health Insurance

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- Fraudsters use or sell your insurance card
  - Illegal aliens often use stolen id
  - Drug seekers often use stolen insurance cards
  - Friends 'loaning' health insurance cards
  - Someone using your insurance creates a false medical profile
  - Unpaid balances appear on your credit report
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## True Stories- stolen health insurance card

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- Young family has house robbed, insurance card is stolen. The thief uses the medical insurance card in numerous ER visits. The bills add up, and the 'real' card holders are balance billed, reported to the credit reporting agencies, and eventually turned over to collections.....TRUE STORY
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# Suburban mom vs. drug addict

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- Suburban mom is victim of medical id theft, accused of abandoning drug baby in hospital. The thief (fraudster) delivered a drug addicted baby in the hospital and abandoned the baby the next day. The 'real mom' was visited by authorities, her children taken into protective custody.....TRUE STORY
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# What to do if your health insurance card is lost or stolen

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- Notify your health insurance carrier
    - Ask what they can do to help you
    - Make sure it is recorded that you reported this
  - Identity theft protection through homeowners?
  - Notify your providers
  - Watch mail delivery patterns
  - Watch EOB's to ensure services were yours
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# What?

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- They establish phone or wireless service in your name
- They open a bank account in your name and write bad checks on that account
- They commit crimes in your name
- They seek medical care and prescriptions in your name creating false medical profiles!



# Bankruptcy!

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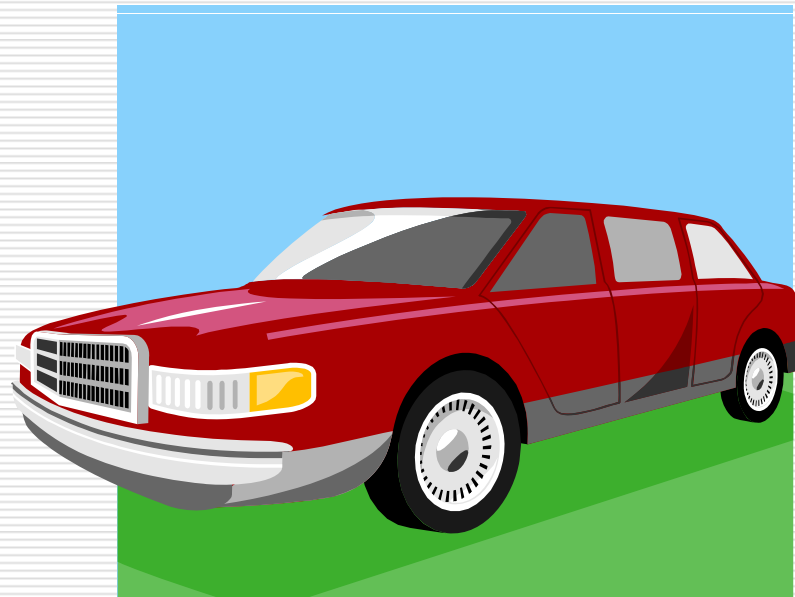
- ❑ They file for bankruptcy under your name to avoid paying debts they've incurred under your name, or to avoid eviction.
- ❑ They counterfeit checks or debit cards, and drain your bank account.



# What?

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- They buy cars by taking out auto loans in your name.



# Tickets, accidents & warrants!

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**RESOLVING**

**ID Theft**

**CREDIT**

**PROBLEMS**

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# Laws to Help You

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- ❑ **Resolving** credit problems resulting from identity theft can be time-consuming and frustrating. The good news is that there are federal laws that establish procedures for correcting credit report errors and billing errors, and for stopping debt collectors from contacting you about debts you don't owe.



# Your Rights

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- Here is a brief summary of your rights, and what to do to clear up credit problems that result from identity theft.



# Credit Records

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- The Fair Credit Reporting Act (FCRA) establishes procedures for correcting mistakes on your credit record and requires that your record be made available only for certain legitimate business needs.
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# Credit Bureaus

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- **First**, call the credit bureau and follow up in writing
  
  - Credit bureaus must investigate the items in question - usually within 30 days
    - - unless they consider your dispute frivolous.
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# Credit Bureaus

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- Disputed information that cannot be verified must be deleted from your file.
  - If your report contains erroneous information, the credit bureau must correct it.
  - Check your credit report every year
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# Credit Cards

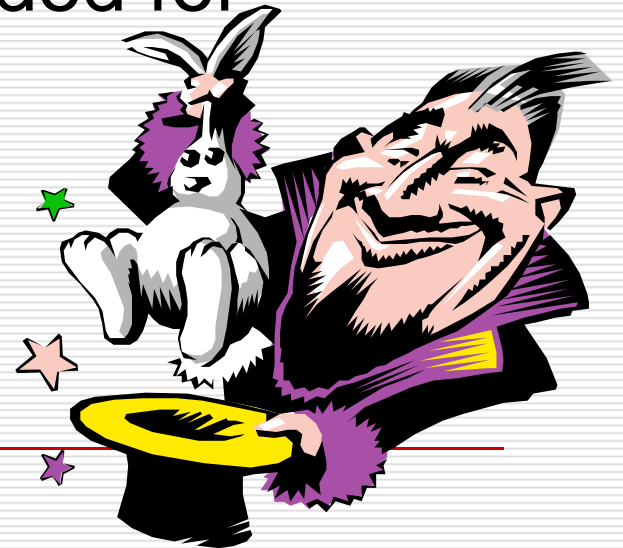
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- ❑ **Credit Cards**
  - ❑ The Truth in Lending Act limits your liability for unauthorized credit card charges in most cases to \$50 per card. The Fair Credit Billing Act establishes procedures for resolving billing errors on your credit card accounts.
  - ❑ **Always check your credit card company policy – it may be different**
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# Debt Collectors

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- ❑ **Debt Collectors —**
- ❑ The Fair Debt Collection Practices Act prohibits debt collectors from using unfair or deceptive practices to collect overdue bills that a creditor has forwarded for collection.



# Debt Collectors

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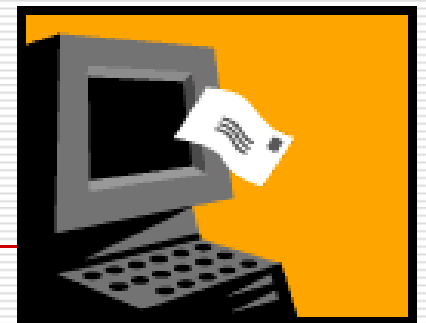
- ❑ You can stop a debt collector from contacting you by writing a letter to the collection agency telling them to stop. Once the debt collector receives your letter, the company may not contact you again.



# Electronic transfers

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- The Electronic Fund Transfer Act provides consumer protections for transactions involving an ATM or debit card or other electronic way to debit or credit an account. It also limits your liability for unauthorized electronic fund transfers.



# ATM'S

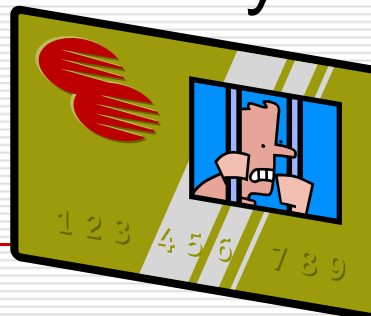
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- ❑ Watch ATM machines carefully for unusual devices
    - Make sure no one is looking over your shoulder
  
  - ❑ If you report your ATM card lost or stolen within two business days of discovering the loss or theft, your losses are limited to \$50.
  
  - ❑ **Always check with your bank policy, it may be different than this presentation !**
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# ATM's

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- If you report your ATM card lost or stolen after the two business days, but within 60 days after a statement showing an unauthorized electronic fund transfer, you can be liable for up to \$500 of what a thief withdraws.
- Be sure to check with your bank!



# Credit card offers

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## **Pre-Screened Credit Offers**

If you receive pre-screened credit card offers in the mail (namely, those based upon your credit data), don't tear them up after you decide you don't want to accept the offer, identity thieves may retrieve the offers for their own use without your knowledge.

**What would you do in this case?**

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# A few good tips!

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# Opt out of credit card offers

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- To opt out of receiving pre-screened credit card offers, call: 1-888-5-OPTOUT (1-888-567-8688). The three major credit bureaus use the same toll-free number to let consumers choose not to receive pre-screened credit offers.
  - Note: Frequent credit inquiries can also impact your credit rating.
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# Get removed from marketing lists

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## **Marketing Lists**

Of the three major credit bureaus, only Experian offers consumers the opportunity to have their names removed from lists that are used for marketing and promotional purposes. To have your name removed from Experian's marketing lists, call 1-800-407-1088.

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# Get removed from direct mail lists

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- To remove your name from many national direct mail lists, write:

Direct Marketing Association

P.O. Box 9008

Farmingdale, NY 11735-9014

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# Get removed from direct e-mail lists

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- To remove your e-mail address from many national direct e-mail lists, visit [www.e-mps.org](http://www.e-mps.org).
- To avoid unwanted phone calls from many national marketers, send your name, address, and telephone number to:  
DMA Telephone Preference Service  
P.O. Box 9014  
Farmingdale, NY 11735-9014

# A few final tips – minimize your risk!

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- Guard your mail from theft
- Deposit outgoing mail in post office collection boxes or at your local post office
- Promptly remove mail from your mailbox after it has been delivered.
- If you're planning to be away from home and can't pick up your mail, call the U.S. Postal Service at 1-800-275-8777 to request a vacation hold.



# Shred! Shred! Shred!

- Charge receipts
- Copies of credit applications
- Insurance forms – EOB's
- Tax forms
- Medical and dental bills / statements
- Bank checks
- Statements you are discarding
- Expired charge cards
- Credit offers you get in the mail.



# Service Workers

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- Be cautious about where you leave personal information in your office or home, especially if you employ outside help or are having service work done in your home
- Watch areas around offices and homes
- Use virus protection software
- Password/Virus protect devices



# Manage your Credit Report

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- Order a copy of your credit report from each of the three major credit reporting agencies **every year.**
  - Watch for free credit report opportunities (watch for membership obligations, watch deadlines to cancel if not wanted)
  - Make sure it is accurate and includes only those activities you've authorized. The law allows credit bureaus to charge you up to \$9.00 for a copy of your credit report.
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# Equifax

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- P.O. Box 740241  
Atlanta, GA  
30374-0241
  - 1-800-685-1111
  - 1-800-525-6285
-

# Experian

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□ P.O. Box 2104  
Allen, TX  
75013

□ 1-888-EXPERIAN (397-3742)

□ 1-888-EXPERIAN

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# Trans Union

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760 Sproul Road  
P.O. Box 390  
Springfield, PA 19064-0390

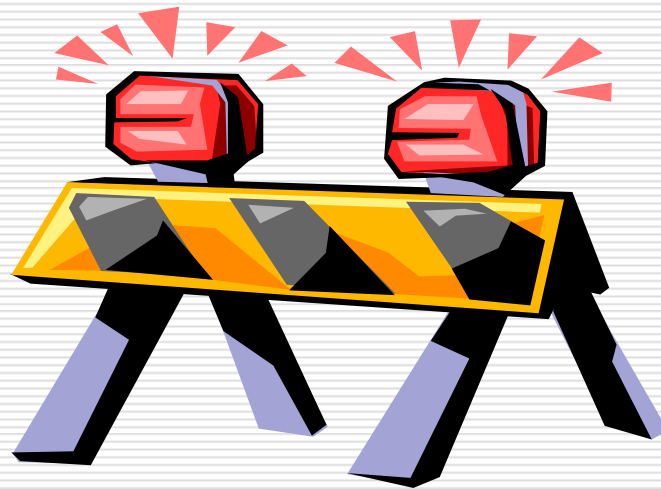
1-800-916-8800

1-800-680-7289

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Be Careful with your  
ID!



# Final tips

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- You cant shred too much
- Ask for photo id for patients
- Monitor your credit report annually
- Watch for mail delivery pattern changes

**REPORT LOST OR STOLEN ID...THAT  
INCLUDES OUR HEALTH INSURANCE  
CARD!**

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**Is it just me... or does anyone else find it amazing that we can track a cow born in Canada almost three years ago, right to the stall where she sleeps in the state of Washington. Also they track her calves to their stalls. But they are unable to locate 11 million illegal aliens wandering around our country.**

**The solution ..... give every illegal alien a cow.**

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Questions???

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Thank you!

Jonnie Massey

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