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HEALTH

Senior Medicare Patrol Fights Fraud. The Winners? U.S. Taxpayers

Volunteer detectives recover millions of dollars in fake claims and overbilling

By Kimberly Lankford,

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In 2021, a group of California volunteers, mostly retirees, uncovered a fraud ring that enrolled Medicare beneficiaries in hospice without their knowledge, even though they weren't terminally ill.

The scammers were collecting tens of thousands of dollars in fake hospice claims – all while Medicare was denying beneficiaries' legitimate claims. Two years earlier, retired volunteers helped bring down one of the largest health care fraud schemes on record, discovering that a group of 35 doctors, medical professionals and others fraudulently billed Medicare \$2.1 billion for fake genetic tests.



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The case-cracking volunteers are members of the Senior Medicare Patrol (SMP), a federally financed organization in every state and U.S. territory. SMPs devote their time to help Medicare beneficiaries, their families and caregivers prevent, detect and [report Medicare fraud](#). Nationwide, 5,300 volunteers work with SMP, including retired accountants, human resources professionals, nurses, social workers, teachers, and others passionate about fighting fraud and solving mysteries.

Approximately \$60 billion annually goes into the wrong hands

Since 1997, the Senior Medicare Patrol has helped Medicare recover more than \$141 million in fraudulent bills for the program. In 2021 alone, the patrol helped recover \$2.5 million in fraudulent charges.

Senior Medicare Patrol

In this series:

- [How a Medicare Patrol Member Scoped Out a Fake Charge](#)
- [8 Scams That Senior Medicare Patrols Are Seeing](#)
- [How to Volunteer for Your Local Senior Medicare Patrol](#)

Recently, Senior Medicare Patrol volunteers helped uncover scams related to [COVID-19 tests](#), which resurfaced after the public health emergency ended in May. Other recent scams focused on diabetes supplies, durable medical equipment, Medicare cards and telemedicine visits in addition to the hospice fraud and genetic test cases.

That's just the beginning. Medicare loses about \$60 billion each year to fraud, errors and abuse. That hijacked money could pay the 2021 median Medicare hospital bill of \$24,299.69 for nearly 2.5 million beneficiaries.

Scammers can easily inflate bills, double bill or add charges that might look legitimate but were for services that beneficiaries never received. Often you have no idea about fake claims made in your name.

The reason? Medicare beneficiaries typically don't receive a bill if Medicare and [a supplemental policy](#) cover the full cost. You may eventually realize something is wrong if strange charges appear on your

[Medicare summary notice](#), which is the formal name for Medicare’s explanation of benefits, or if you’re notified that legitimate charges [were denied coverage](#) because Medicare had already paid for the fraudulent service.

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Real Medicare bills denied. Fake claims paid

That’s what happened in the hospice fraud case. The daughter of the Medicare beneficiary who was fraudulently enrolled in hospice contacted the State Health Insurance Assistance Program (SHIP) in Kern County, California. The group is known as SHIP throughout the country, but California calls its organization the Health Insurance Counseling and Advocacy Program (HICAP).

The daughter reported that her mother suddenly started receiving an alarming number of bills for services that Medicare would usually cover. She had no idea why those claims were being denied.



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After some digging, the HICAP Senior Medicare Patrol volunteers uncovered that the mother had been enrolled in hospice without her knowledge. The older woman wasn’t terminally ill.

As egregious as it seems, hospice can be ripe for fraud because [Medicare pays for many expenses](#) when you receive [end-of-life care](#), including doctor’s services, drugs to help control pain, health aides, medical equipment and other services your hospice team recommends to manage your terminal illness. Unlike other care, Medicare’s regular copayments and deductibles don’t apply to hospice.

But once you enroll in hospice, Medicare won’t pay to cure your terminal illness. That explains why so many of the woman’s claims were denied.

Volunteers dig into the details, uncover a pattern

Senior Medicare Patrol volunteers started troubleshooting and requesting copies of the bills. Through their research, they found that 13 of her legitimate claims had been denied, says Carolina Oehler, the Senior Medicare Patrol liaison for the Kern County Aging & Adult Services Department.

The Senior Medicare Patrol volunteers worked with the Centers for Medicare & Medicaid Services to put a 30-day hold on the bills while they worked on the case. They also reported to Medicare that the woman’s card was compromised and helped her get a new Medicare number.

In total, the patrol members discovered that the hospice agency had billed Medicare for more than \$12,000 and about \$11,000 had been paid.

“The California Senior Medicare Patrol diligently assisted with this case and investigation, and with the help of the Office of Inspector General [OIG] and Centers for Medicare & Medicaid Services, the beneficiary’s hospice claims were denied, all monies were recovered, her provider claims were paid, and her Medicare coverage was restored,” Oehler says. They reported the case to the OIG, which initiated an investigation and issued a national alert warning people about similar cases.

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Network of participants have roots in their cities, towns

Senior Medicare Patrol volunteers live where they serve, helping Medicare beneficiaries and their caregivers directly. So they’re often the first ones to uncover new scams.

“Law enforcement does great work once the fraud has happened, but we’re able to get out in the community to talk to folks and really get a sense of what is happening,” says Director Rebecca Kinney of the federal Administration for Community Living’s office of health care information and counseling, the U.S. Department of Health and Human Services (HHS) division that finances the Senior Medicare Patrol program.

“Because of that perspective, we are often able to pick up on new trends and issues before law enforcement and insurers see things happening in the data,” she says. “We’re getting the stories directly from beneficiaries on the local level.”

Frequently, people feel more comfortable asking local volunteers questions about suspicious activity that might be criminals at work.

“The volunteers help spread the word into their communities, and sometimes in diverse communities that we may not otherwise have access to,” says Tiffany Erhard, New York state Senior Medicare Patrol director.

You can always report Medicare fraud to 800-MEDICARE. But Senior Medicare Patrol volunteers can answer questions, provide a personal connection, and walk you through the process of gathering evidence and building a case to send to HHS’ Office of Inspector General, which investigates Medicare fraud.

“When it’s sent to the OIG, it’s flagged as a Senior Medicare Patrol case, which shows that somebody has already looked at this who knows what pieces of information to put together that the OIG needs,” Kinney says.

Kimberly Lankford is a contributing writer who covers Medicare and personal finance. She wrote about insurance, Medicare, retirement and taxes for more than 20 years at Kiplinger’s Personal Finance and has written for The Washington Post and Boston Globe. She

received the personal finance Best in Business award from the Society of American Business Editors and Writers and the New York State Society of CPAs' excellence in financial journalism award for her guide to Medicare.

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