

## New Medicare Scams Spread Across U.S.

By: Tom Dunkel, AARP Bulletin

Last fall a telemarketer dialed Ryan Stumphauzer's work number in Miami. "Are you 65 or older? Do you have chronic pain?" the caller asked, offering to hook Stumphauzer up with a doctor who would prescribe a topical pain cream, for which the government would pick up the tab. "All we need is your Medicare number."

Talk about barking up the wrong tree. Ryan Stumphauzer is only 39 years old. What's more, he's a lawyer who, before entering private practice, was deputy chief of the health care fraud unit at the U.S. attorney's office in southern Florida.

Such cold-call solicitations "are 1,000 percent a red flag," explains Stumphauzer, who immediately notified the FBI. "Legitimate health care practitioners don't go around fishing for clients." Nor do they collect Medicare number discounts

Stumphauzer's experience is indicative of how brazen fraudsters can be, shotgun-blasting people at random. Why so bold? Maybe because the profit margins on seemingly innocuous medications can be high. Topical pain creams can carry a Medicare price tag of more than \$260 a tube. Unscrupulous doctors in league with corrupt pharmacists or crooked medical suppliers will overprescribe the creams to patients. The doctor, pharmacist or supplier bills Medicare, then they divide the pie as they see fit. Sometimes they'll even substitute a cheap pain cream for the real thing.

This scam illustrates a basic feature of Medicare fraud: Like a pernicious virus, it is constantly evolving, giving investigators all they can handle as they seek to keep it under control.

Always a new ploy

"They're [always] looking for other scams," explains Dennis Jay, executive director of the Washington-based Coalition Against Insurance Fraud. "There's far too much money in this for them not to." When the heat gets turned up on one type of Medicare fraud — as it did on motorized wheelchairs and nutritional supplements — perpetrators shift gears and devise a new ploy.

As Jennifer Leonard, an FBI agent in charge of the Washington field office, puts it: "Fraudsters morph." They ply their illegal trade by telephone and many other means. A scam will work in one region of the country, then be picked up by criminals elsewhere. The best way to protect yourself from being victimized is to be aware of the most recent types of fraud emerging around

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the country. Here's a sample of Medicare schemes currently attracting the attention of antifraud experts.

A simple bait-and-switch scam making the rounds in Texas — via telemarketing, TV commercials and pushy door-to-door salespeople — involves an all-purpose "arthritis kit." Medicare recipients are targeted. They're promised relief from chronic joint discomfort, thanks to the latest in lightweight, high-tech osteoarthritis braces specially designed for troubled knees, backs, ankles, hands and elbows. "Instead you get a bunch of Velcro braces and assorted knee and ankle wraps," says Micky Heidrich Moore, a volunteer member of the Senior Medicare Patrol, a federal public education program. Meanwhile, the kit supplier bills Medicare \$3,000 for state-of-the-art braces and splints.

Home health care scams, which Moore has seen in South Texas, are proliferating in places around the country.

In April alone, federal prosecutors won criminal convictions against home health care fraudsters in Louisiana, Michigan and Illinois. The new wrinkle is to sign up clients for services ranging from physical