

How to fight medical identity theft

By: Karen Haywood Queen

If your credit card or bank account is hijacked, it can ding your credit score and be a hassle to correct while fraudsters run up bills in your name.

When your medical identity is stolen, the stakes rise. Not only is your credit on the line, but also your health, as identity thieves get services or drugs that become part of your medical history. So it is critical that you know the steps to combat the theft.

"Medical identity theft steals more than your money and your personal identifiers," says Jim Quiggle, director of communications for the Coalition Against Insurance Fraud in Washington. "The crime can also steal your sense of well-being and impose a shock trauma that can last long after you've cleared up the theft itself."

Medical identity theft involves the misuse of your personal identification, often including health insurance, to obtain treatment, costly medical devices or prescription drugs. Thieves range from organized hacker networks to friends or family members who may use the victim's health insurance as well as their Social Security number and other identifying details. Victims often discover the theft after being dunned for unpaid medical bills, or receiving an insurance company's explanation of benefits form for care they did not receive.

From 2009 to 2015, more than 143 million U.S. patient records were compromised, according to data security company iSheriff, based in Redwood City, California. Massive breaches at insurers including Anthem and Premera Blue Cross have raised alarms as hackers target troves of health information. More data breaches happen in the health care industry than in any other sector, according to the Identity Theft Resource Center.

Other exposures may happen inadvertently when records are mistakenly shared or are exposed by the patient. The Medical Identity and Fraud Alliance estimates that 2.3 million adults were victims of medical ID theft in 2014, up 500,000 from 2013.

"The financial sector is light years ahead of the medical sector," says Pam Dixon, executive director of the World Privacy Forum. "When you have fraud on a bank or credit card account, you can delete erroneous information; you can dispute it; you can cancel the credit cards and get new

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ones. You cannot do this with medical identity theft."

Unlike with banking fraud, there is no \$50 cap on your losses if reported quickly. In fact, health care privacy laws can make it difficult to correct your medical history while you pay expenses out of pocket. The average out-of-pocket cost to victims of medical identity theft was \$13,500, according to a study released earlier this year by the Medical Identity and Fraud Alliance.

Victims reported being embarrassed because of health information made public -- either incorrect information or correct but sensitive details that previously had been private, says Ann Patterson, the medical fraud alliance's senior vice president and program director. Other victims reported losing jobs, missing out on promotions and raises, paying out of pocket for claims that insurance should have covered and even losing health insurance.

Worse than embarrassment are the legal woes that can result from medical ID theft, as thieves may use the victim's ID to obtain prescription narcotics for themselves. Drug rings use multiple victims' IDs to get narcotics to resell on the street, Patterson says.