

# FraudAlert!

*Helping keep the promise.*



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• Coalition of Wisconsin Aging Groups Elder Law Center

From the Project Director. . . . . Elizabeth Conrad

Check out our website at [www.wisconsinsmp.org](http://www.wisconsinsmp.org)

## Let's Get Acquainted

By Judy Steinke, Wisconsin SMP Volunteer Coordinator

Donna Montgomery, of Madison, is our featured volunteer for this month's *Fraud Alert!* She recently retired from a career in the marketing communications field and became involved with Wisconsin Senior Medicare Patrol (SMP) after hearing our volunteer recruitment Public Service Announcement (PSA).

After attending the SMP Volunteer Foundations Training, Donna jumped right into helping us track airings of the national media campaign's PSA's. Donna also attended the PlanFinder training and assisted clients with their Part D annual enrollment.

When asked why she volunteers, Donna's response was, "I'm happy to be at a place in my life where I can give back. I find volunteering to be very rewarding." In addition to sharing her expertise with Wisconsin SMP, she also helps with Good Shepherd Lutheran's Clothes Closet and serves on the Marketing Committee of RSVP. Donna shared that tutoring at her neighborhood elementary school is her all-time favorite volunteer activity.

Donna is married and the mother of two grown children. When not volunteering, her hobbies include biking, downhill skiing, boating, and travel. Her daughter's career in Europe has enabled her to visit Switzerland, Spain, and France. She also enjoys spending time in Wisconsin's beautiful state parks.

Wisconsin SMP is fortunate to have Donna on our team. Donna, thank you for your contributions to the success of Wisconsin SMP!

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## **Medicare Changes in 2012/Wisconsin SMP Volunteer Training in Madison** **By Kevin Brown, Wisconsin SMP Capacity Building Grant Manager/Trainer**

The new year brings some new benefits for Medicare beneficiaries. Beginning January 1, individuals enrolled in Medicare Advantage plans can get most preventive benefits without charge as long as they follow the rules of their plan. “Dual eligibles” (individuals who are eligible for both Medicare and Medicaid), who receive home and community-based services no longer have cost sharing under Medicare Part D, like dual eligibles in institutions. Finally, Original Medicare beneficiaries will pay 40% (as opposed to 45% in 2011) for ongoing outpatient mental health treatment, education, or therapy in 2012.

Wisconsin SMP (Senior Medicare Patrol) is gearing up for another busy year. We would like to spread our message of healthcare fraud prevention to more people across the state, but we need additional volunteers to succeed. Wisconsin SMP conducts volunteer training sessions regularly throughout the state. I am pleased to announce that the next Wisconsin SMP Volunteer Training will be held on February 23 at the CWAG office in Madison from 9:30 a.m. until 3:30 p.m. We are also ready and willing to conduct training sessions in other areas of Wisconsin if there is sufficient interest.

If you would like to attend the Madison session or are interested in helping us bring an SMP volunteer training to your part of the state, please contact me at (800) 488-2596, ext. 315 or [kbrown@cwag.org](mailto:kbrown@cwag.org).

SMP volunteers are concerned citizens (often retired professionals) who empower seniors to prevent healthcare fraud through outreach and education. The Wisconsin SMP Volunteer Training is an in-depth workshop that provides participants with a foundation of knowledge in three main areas: the SMP program, Medicare basics, and Medicare fraud, waste, and abuse. After they are trained, SMP volunteers make presentations to groups and/or distribute materials at community events to educate Medicare beneficiaries, caregivers, and professionals about how to prevent, detect, and report healthcare fraud, waste, and abuse. Some of our volunteers also assist the elder benefit specialist or other Aging and Disability Resource Center staff in their county.

For more information about Wisconsin SMP and to download our volunteer application form, please go to [www.wisconsinsmp.org](http://www.wisconsinsmp.org).

### **Wisconsin SMP Available for Group Education Sessions**

Wisconsin SMP (Senior Medicare Patrol) is required to report all activity performed by its volunteers, professional partners, and staff members. The SMART FACTS (**Seniors Medicare Assistance and Reporting Tool for Fraud And Complaint Tracking System) database is used to comply with this requirement. One area in which Wisconsin SMP hopes to improve during 2012 is in our number of Group Education Sessions.**

Group Education Sessions are described as gatherings that are led by SMP staff, professional partners, and/or volunteers to educate beneficiaries, family members, caregivers, and others on detecting fraud, errors, and abuse in the healthcare system. This type of activity may include the use of the Administration on Aging video, *Don't Be A Target of Healthcare Fraud: Recognizing the Bad Guys Joining the Good Guys*, sharing information from the *Fraud Alert!*, or utilizing Wisconsin SMP PowerPoints. Presentations may be as short as ten minutes and still count as Group Education

Sessions. The presentations are then supplemented by Wisconsin SMP handouts, which include *12 Tips to Protect Yourself From Healthcare Fraud* and the *Personal Health Care Journal*.

Wisconsin SMP is looking for opportunities to provide Group Education Sessions. If you are a member of a group or club that is looking for an informational presentation on healthcare fraud, please contact Judy Steinke, Wisconsin SMP Volunteer Coordinator, at (800) 488-2596, Ext. 342 or [jsteinke@cwag.org](mailto:jsteinke@cwag.org) to find out if a trained volunteer or staff member is available to provide presentations in your area.

It is estimated that Medicare loses over \$60 billion every year due to fraud, errors, and abuse. Let's work together to educate Wisconsin's Medicare beneficiaries on the importance of protecting their Medicare number and reviewing their Medicare Summary Notices.

## **Medicare Scam Targets Wisconsin Residents**

The Lafayette County Sheriff's Office issued a news release on January 17 warning local Medicare beneficiaries against phone scammers claiming to be calling from Medicare. At least two county residents have received calls from fraudsters who claim that the person being called is going to be issued a new Medicare card, but the new card cannot be issued unless the individual reveals the name of their bank. Lafayette County Sheriff Scott Pedley says that these calls are a scam and assures seniors that Medicare would not conduct business over the phone. Lafayette County Human Services staff also confirms the fact that Medicare is not issuing replacement calls at this time. Pedley warns seniors that even though these scammers can sound quite convincing, individuals should never provide personal information over the phone to anyone claiming to be from the federal government or any governmental entity. If you receive one of these calls, he offers the following advice: "Simply hang up the telephone or tell the caller to communicate with you via the U.S. Mail rather than revealing personal information over the telephone."

Wisconsin SMP urges beneficiaries to protect your Medicare number and bank account information. Do not give out this personal information over the phone or to someone knocking on your door. Medicare will not call or come to your house to ask you for a number that they already have. Finally, we encourage you to report healthcare and consumer scams to the Wisconsin SMP office.

## **Medicaid and FoodShare Fraud Investigations Pay Off in Milwaukee County**

O'Brien and Associates, a private investigative firm, has found nearly a half-million dollars in overpayments and cost savings in the Medicaid and FoodShare programs in Milwaukee County after only two months and expects to find much more fraud in the coming weeks.

Fraud investigations have been neglected in many areas of the state due to budget cuts in recent years. However, Gov. Scott Walker's administration restored some of the funding, and this investment has paid off for the state. The investigators reviewed 111 suspicious cases in FoodShare and Medicaid health programs such as BadgerCare Plus and found overpayments in every case. The overpayments in 62 of those cases added up to \$284,500, and the investigations have also prevented an additional \$183,600 in payments that would have been made to those recipients over the next six months. The overpayments and future cost savings for all 111 cases are expected to total close to \$1 million.

A spokesperson for the Wisconsin Department of Health Services said that cutting down on Food Share fraud will ensure that these benefits will be available in the future for those who need them. The cost of this type of investigation is a very good investment for the state government because the federal government, which pays for the FoodShare program, allows the state (and any local partners if there are any) to keep 35%-40% of the money it collects from overpayments. The state will not be able to recover all of the overpayments the investigators have discovered, but the state's potential cut of the amount tallied so far is at least \$100,000, or eight times the cost of conducting the investigation.

Sherrie Tussler, Executive Director of the Hunger Task Force in Milwaukee, said she believes that fraud is very rare in the FoodShare program and she has seen cases where investigators have claimed that overpayments were higher than they were. Even so, she believes the investigations are a good idea and that the state had long neglected follow-up and verification work in the city and is only now catching up.

The state has hired O'Brien and Associates to conduct further investigations in Milwaukee County for another six months, this time focusing on both possible fraud cases and upfront verification of the information new enrollees provide to the state to ensure that they are qualified to receive benefits. Doing upfront verification helps prevent improper payments before they occur.

*Source: Milwaukee Journal Sentinel (1/16/12)*

## **Lawsuit Accuses National Hospice Company of Bilking Medicare**

A whistleblower lawsuit announced in early January accused a national hospice company of improperly cycling patients through nursing homes and hospice with a goal of making as much profit as possible from Medicare. The hospice company, AseraCare, which is also being sued by the federal government, allegedly pressured its employees to enroll patients who were not dying into hospice care and avoid discharging them despite proof that they were not deteriorating. This lawsuit follows several other suits against large hospice companies. However, this suit is more extensive because it alleges that the company coordinated its use of nursing homes and hospice care to maximize Medicare reimbursements.

AseraCare, which is based in Fort Smith, Arkansas and operates in 19 states, is owned by Golden Living, a national company that provides skilled nursing services, other services, and hospice care. The lawsuit alleges that AseraCare first recruited patients eligible for skilled nursing care, also provided by Golden Living, for 20 days, which is covered in full by Medicare. After 20 days, when Medicare requires patients to pay part of the cost, AseraCare had the patients sent to hospice care, where the company could collect a flat payment from Medicare for every day that the patient was enrolled.

Daniel Levinson, inspector general of the Department of Health and Human Services, in a statement announcing the federal lawsuit said, "Congress intended that the hospice care benefit be used during the last several months of an individual's life. We will continue to recover misspent Medicare funds from companies that abuse the hospice benefit." The government claims that AseraCare kept elderly patients in hospice care despite evidence that they were not dying. The government complaint also alleges that the company set quotas for hospice admissions and in June 2006 offered a massage chair to the employee who could reach its admission goal of 33 people each week and be the first person to admit a patient in July 2006.

Critics of Medicare's hospice benefit have said that it provides financial incentives to abuse the system. To discourage hospices from enrolling long-stay patients, Medicare has placed caps on how much money an institution can collect on average for a patient. However, the AseraCare whistleblowers claim that the company avoided the cap by recruiting "last breath" referrals, or patients who were expected to die in a few days, to keep the average low. Employees were sent to "patrol hospitals," ride along with "Meals-on-Wheels" and go door-to-door in low-income housing to recruit these types of patients.

AseraCare has disputed the accusations of wrongdoing and said that it has adhered to all Medicare rules for admitting hospital patients. AseraCare's president, Dr. David Friend, released a statement saying, "It is simply not possible to precisely predict how patients will respond to challenging illnesses such as end-stage heart, lung, and kidney disease, AIDS, and Alzheimer's."

*Source: Kaiser Health News (1/4/12)*

*Reprinted with permission of the National Council on Aging*

## **Top Ten Scams Targeting Seniors**

Financial scams targeting seniors have become so prevalent that they're now considered "the crime of the 21st century."

Why? Because seniors are thought to have a significant amount of money sitting in their accounts.

Financial scams also often go unreported or can be difficult to prosecute, so they're considered a "low-risk" crime. However, they're devastating to many older adults and can leave them in a very vulnerable position with little time to recoup their losses.

It's not just wealthy seniors who are targeted. Low-income older adults are also at risk of financial abuse.

And it's not always strangers who perpetrate these crimes. Over 90% of all reported elder abuse is committed by an older person's own family members, most often their adult children, followed by grandchildren, nieces and nephews, and others.

Review our list below, so you can identify a potential scam.

### **1. Health Care/Medicare/Health Insurance Fraud**

Every U.S. citizen or permanent resident over age 65 qualifies for Medicare, so there is rarely any need for a scam artist to research what private health insurance company older people have in order to scam them out of some money.

In these types of scams, perpetrators may pose as a Medicare representative to get older people to give them their personal information, or they will provide bogus services for elderly people at makeshift mobile clinics, then use the personal information they provide to bill Medicare and pocket the money.

## **2. Counterfeit Prescription Drugs**

Most commonly, counterfeit drug scams operate on the Internet, where seniors increasingly go to find better prices on specialized medications.

This scam is growing in popularity—since 2000, the FDA has investigated an average of 20 such cases per year, up from five a year in the 1990s.

The danger is that besides paying money for something that will not help a person's medical condition, victims may purchase unsafe substances that can inflict even more harm. This scam can be as hard on the body as it is on the wallet.

## **3. Funeral & Cemetery Scams**

The FBI warns about two types of funeral and cemetery fraud perpetrated on seniors.

In one approach, scammers read obituaries and call or attend the funeral service of a complete stranger to take advantage of the grieving widow or widower. Claiming the deceased had an outstanding debt with them, scammers will try to extort money from relatives to settle the fake debts.

Another tactic of disreputable funeral homes is to capitalize on family members' unfamiliarity with the considerable cost of funeral services to add unnecessary charges to the bill.

In one common scam of this type, funeral directors will insist that a casket, usually one of the most expensive parts of funeral services, is necessary even when performing a direct cremation, which can be accomplished with a cardboard casket rather than an expensive display or burial casket.

## **4. Fraudulent Anti-Aging Products**

In a society bombarded with images of the young and beautiful, it's not surprising that some older people feel the need to conceal their age in order to participate more fully in social circles and the workplace. After all, 60 is the new 40, right?

It is in this spirit that many older Americans seek out new treatments and medications to maintain a youthful appearance, putting them at risk of scammers.

Whether it's fake Botox like the one in Arizona that netted its distributors (who were convicted and jailed in 2006) \$1.5 million in barely a year, or completely bogus homeopathic remedies that do absolutely nothing, there is money in the anti-aging business.

Botox scams are particularly unsettling, as renegade labs creating versions of the real thing may still be working with the root ingredient, botulism neurotoxin, which is one of the most toxic substances known to science. A bad batch can have health consequences far beyond wrinkles or drooping neck muscles.

## **5. Telemarketing**

Perhaps the most common scheme is when scammers use fake telemarketing calls to prey on older people, who as a group make twice as many purchases over the phone than the national average.

While the image of the lonely senior citizen with nobody to talk to may have something to do with this, it is far more likely that older people are more familiar with shopping over the phone, and therefore might not be fully aware of the risk.

With no face-to-face interaction, and no paper trail, these scams are incredibly hard to trace. Also, once a successful deal has been made, the buyer's name is then shared with similar schemers looking for easy targets, sometimes defrauding the same person repeatedly.

Examples of telemarketing fraud include:

### **“The Pigeon Drop”**

The con artist tells the individual that he/she has found a large sum of money and is willing to split it if the person will make a “good faith” payment by withdrawing funds from his/her bank account. Often, a second con artist is involved, posing as a lawyer, banker, or some other trustworthy stranger.

### **“The Fake Accident Ploy”**

The con artist gets the victim to wire or send money on the pretext that the person's child or another relative is in the hospital and needs the money.

### **“Charity Scams”**

Money is solicited for fake charities. This often occurs after natural disasters.

## **6. Internet Fraud**

While using the Internet is a great skill at any age, the slower speed of adoption among some older people makes them easier targets for automated Internet scams that are ubiquitous on the web and email programs.

Pop-up browser windows simulating virus-scanning software will fool victims into either downloading a fake anti-virus program (at a substantial cost) or an actual virus that will open up whatever information is on the user's computer to scammers.

Their unfamiliarity with the less visible aspects of browsing the web (firewalls and built-in virus protection, for example) makes seniors especially susceptible to such traps.

One example includes:

### **Email/Phishing Scams**

A senior receives email messages that appear to be from a legitimate company or institution, asking them to “update” or “verify” their personal information. A senior receives emails that appear to be from the IRS about a tax refund.

## **7. Investment Schemes**

Because many seniors find themselves planning for retirement and managing their savings once they finish working, a number of investment schemes have been targeted at seniors looking to safeguard their cash for their later years.

From pyramid schemes like Bernie Madoff's (which counted a number of senior citizens among its victims) to fables of a Nigerian prince looking for a partner to claim inheritance money to complex financial products that many economists don't even understand, investment schemes have long been a successful way to take advantage of older people.

## **8. Homeowner/Reverse Mortgage Scams**

Scammers like to take advantage of the fact that many people above a certain age own their homes, a valuable asset that increases the potential dollar value of a certain scam.

A particularly elaborate property tax scam in San Diego saw fraudsters sending personalized letters to different properties apparently on behalf of the County Assessor's Office. The letter, made to look official but displaying only public information, would identify the property's assessed value and offer the homeowner, for a fee of course, to arrange for a reassessment of the property's value and therefore the tax burden associated with it.

Closely related, the reverse mortgage scam has mushroomed in recent years. With legitimate reverse mortgages increasing in frequency more than 1,300% between 1999 and 2008, scammers are taking advantage of this new popularity.

As opposed to official refinancing schemes, however, unsecured reverse mortgages can lead property owners to lose their homes when the perpetrators offer money or a free house somewhere else in exchange for the title to the property.

## **9. Sweepstakes & Lottery Scams**

This simple scam is one that many are familiar with, and it capitalizes on the notion that "there's no such thing as a free lunch."

Here, scammers inform their mark that they have won a lottery or sweepstakes of some kind and need to make some sort of payment to unlock the supposed prize. Often, seniors will be sent a check that they can deposit in their bank account, knowing that while it shows up in their account immediately, it will take a few days before the (fake) check is rejected.

During that time, the criminals will quickly collect money for supposed fees or taxes on the prize, which they pocket while the victim has the "prize money" removed from his or her account as soon as the check bounces.

## **10. The Grandparent Scam**

The Grandparent Scam is so simple and so devious because it uses one of older adults' most reliable assets, their hearts.

Scammers will place a call to an older person and when the mark picks up, they will say something along the lines of: “Hi Grandma, do you know who this is?” When the unsuspecting grandparent guesses the name of the grandchild the scammer most sounds like, the scammer has established a fake identity without having done a lick of background research.

Once “in,” the fake grandchild will usually ask for money to solve some unexpected financial problem (overdue rent, payment for car repairs, etc.), to be paid via Western Union or MoneyGram, which don’t always require identification to collect.

While the sums from such a scam are likely to be in the hundreds, the very fact that no research is needed makes this a scam that can be perpetrated over and over at very little cost to the scammer.

*Source:* NCOA Week (1/3/12), published by the National Council on Aging ([www.NCOA.org](http://www.NCOA.org))

## **SMP Activities**

<b>Date</b>	<b>Activity</b>	<b>County</b>
January 12	SMP Presentation-Woodland Park Apts.-Green Bay	Brown
January 12	SMP Presentation-Trail Creek Apts.-Green Bay	Brown
January 13	SMP Presentation-Kiwanis Group-Elm Grove	Waukesha
January 24	SMP Volunteer Foundations Training-Oak Creek	Milwaukee
February 1	SMP Presentation-Lunch & Brain Games Group-Rhineland	Oneida
February 3	SMP Presentation & Booth-Super Senior Day-Milwaukee	Milwaukee
February 7	SMP Presentation-Hmong Community Center-La Crosse	La Crosse
February 7	SMP Presentation-AARP Group-La Crosse	La Crosse
February 7	SMP Presentation-The Peter Rich Community Center-Superior	Douglas
February 16	SMP Presentation-Hickoryview Commons-Oconomowoc	Waukesha
February 23	SMP Volunteer Foundations Training-Madison	Dane
February 27	SMP Presentation-Riverview Commons-Watertown	Jefferson
March 6	SMP Presentation-8 <sup>th</sup> Air Force Historical Society-Milwaukee	Milwaukee
March 28-April 1	2012 Aging in America Conference-Washington, DC	
April 27	SMP Booth-Coulee Region RSVP Wellness Expo-Onalaska	La Crosse
April 30-May 2	SMP Presentation-CWAG Senior Statesmanship-Madison	Dane
May 3-4	Wisconsin Volunteer Coordinators’ Annual Conference	Sheboygan
May 7-8	SMP Presentation & Booth-State Alzheimer’s Conference	Sauk
May 11	SMP Booth-Multicultural Senior Health Fair-Madison	Dane
May 15	SMP Booth-Women’s Health Policy Summit-Madison	Dane
June 14-15	SMP Presentation & Booth-WI Assn. of Service Coords. Conf.	Dane
July 14	SMP Booth-Taste of Rome	Adams
July 17-19	SMP Booth-Farm Technology Days-New London	Outagamie
July 26-27	CWAG Annual Convention-Stevens Point	Portage
September 20-21	2012 Aging Network Conference-Wisconsin Dells	Sauk
October 2	SMP Booth-Colloquium on Aging-Madison	Dane

**We are always looking for opportunities to support our colleagues in the aging network. Please contact Wisconsin SMP and let us know about upcoming 2012 events in your area.**

## FRAUD ALERT – ELECTRONIC VERSION

In previous issues, we told you that Wisconsin SMP *Fraud Alert* will be sent electronically unless we receive a “request for a paper copy” from you.

Contact Patti Wiersma at [pwiersma@cwag.org](mailto:pwiersma@cwag.org),  
giving her your e-mail address,  
to add to our list.

Your cooperation is greatly appreciated.

Check out the new Wisconsin SMP web site  
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You Can also Access Our Publication by visiting our new web site [www.wisconsinsmp.org](http://www.wisconsinsmp.org)  
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Click on Publications then click on Wisconsin Senior Medicare Patrol (SMP) and scroll down  
and click on the edition you wish to view.

## ATTENTION: All of you with E-mail...

In an effort to save paper, postage and be “volunteer friendly,” we will E-mail issues of the *Fraud Alert* to those who have E-mail. Please contact Patti Wiersma at [pwiersma@cwag.org](mailto:pwiersma@cwag.org), giving her your e-mail address to add to our list. **WE DO SUGGEST THAT YOU PRINT EACH ISSUE AND SAVE IT IN YOUR MEDICARE BINDER FOR FUTURE USE. Thank you!**

For more information, contact:

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