

# Genetic Testing Fraud

## Tips for Protecting Yourself and Medicare

Genetic testing scams are a rapidly emerging fraud trend throughout the country. Scammers are offering Medicare beneficiaries cheek swabs for genetic testing to obtain their Medicare information for fraudulent billing purposes or possibly medical identity theft.

### What is Genetic Testing Fraud?

Genetic testing fraud occurs when Medicare is billed for a test or screening that was not medically necessary and/or was not ordered by a beneficiary's treating physician.

### What are Examples of Genetic Testing Fraud?

- Here are several ways genetic testing is advertised:
  - \* Cancer screening / test
  - \* Hereditary cancer screening / test
  - \* Pharmacogenetics (medication metabolization)
  - \* DNA screening / test
  - \* Dementia screening / test
  - \* Parkinson's screening / test
- A company offering you "free" or "at no cost to you" testing without a treating physician's order and then billing Medicare.
- A company using "telemedicine" to offer testing to you over the phone and arranging for an unrelated physician or "teledoc" to order the test.
- Billing Medicare (usually thousands of dollars) for a broad range of genetic tests that you did not request or possibly even receive.
- Billing Medicare for pharmacogenomic tests (to determine how you metabolize drugs) that are not covered by Medicare or apply to you.
- A company requesting your Medicare number (or possibly driver's license) at health fairs, senior centers, assisted living facilities, malls, farmers markets, parking lots outside retail stores, home shows, or church-sponsored wellness events.

### What is Medical Identity Theft?

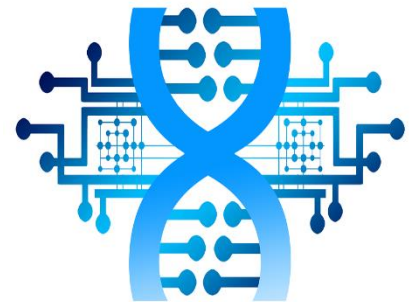
When someone steals or uses your Medicare number to submit fraudulent claims to Medicare without your authorization. Medical identity theft may disrupt your medical care and/or result in financial harm.

## What Can You Do to Stop Genetic Testing Fraud?

- Be sure your doctor has assessed your condition. Although Medicare covers many genetic tests for diagnostic use, it only covers one preventative genetic test to screen for cancer.
- Do not give out your personal information or accept screening services from someone at a community event, a local fair, a farmer's market, a parking lot, or any other event.
- Always read your Medicare Summary Notice (MSN) or Explanation of Benefits (EOB). The words "gene analysis," "molecular pathology," or "laboratory" may indicate questionable genetic testing has occurred.
- If you received a cheek swab or a screening that was not medically necessary, report your concerns about billing errors or possible fraud and abuse to your local SMP.

## Medicare Billing Codes

There are numerous Current Procedural Terminology (CPT) codes that have been associated with genetic testing complaints as noted by SMP. All the codes are in the 81200 - 81400 CPT series associated with Gene Analysis and Molecular Pathology. You can review your MSN for these codes.



## What Happens if Medicare Denies the Genetic Test Claims?

You could be responsible for the entire cost of the test! The average is \$9,000-\$11,000.

## How Your Senior Medicare Patrol (SMP) Can Help

Your local SMP is ready to provide you with the information you need to **PROTECT** yourself from Medicare fraud, errors, and abuse; **DETECT** potential fraud, errors, and abuse; and **REPORT** your concerns. SMPs and their trained volunteers help educate and empower Medicare beneficiaries in the fight against health care fraud. Your SMP can help you with your questions, concerns, or complaints about potential fraud and abuse issues. It also can provide information and educational presentations.

**To locate your state Senior Medicare Patrol (SMP):  
Visit [www.smpresource.org](http://www.smpresource.org) or call 1-877-808-2468.**

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## When are Genetic Tests Covered?

- When someone has stage III or IV cancer
- When the test is medically reasonable and necessary
  - ✓ Federal regulations define medical necessity as *“services or items reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.”*
- When it is ordered by a treating physician
  - ✓ Federal regulations define a treating physician as *“the physician who furnishes a consultation or treats a beneficiary for a specific medical problem and who uses the results in the management of the beneficiary’s specific medical problem. Tests not ordered by the physician who is treating the beneficiary are not reasonable and necessary.”*
- When one or more coverage requirements are met for colorectal cancer genetic screening
  - ✓ There is no other Medicare coverage for genetic testing as a screening service.
- When a treating physician orders the test as a diagnostic service and uses the results to manage the patient’s condition

### Example Charges for One Cheek Swab

Service	Billing Code	Amount Charged	Amount Paid by Medicare
Gene analysis	81201	\$936.00	\$764.40
Gene analysis	81255	\$582.72	\$285.53
Gene analysis	81259	\$720.00	\$588.00
Gene analysis	81292	\$694.98	\$661.89
Gene analysis	81317	\$848.42	\$692.88
Gene analysis	81325	\$2,308.74	\$754.19
Molecular pathology	81407	\$870.81	\$829.34
Molecular pathology	81408	\$4,116.00	\$3,920.00
<b>Totals</b>		<b>\$11,077.67</b>	<b>\$8,496.23</b>



### How are Fraudsters Benefiting from Genetic Testing Fraud?

See the chart for why this is becoming more prevalent.

**These services are not free.**

Each cheek swab could potentially make the company thousands of dollars by billing Medicare and/or you for services that were not needed.