



'Care Share The How of DME Fraud

Have you ever wondered how someone could bilk Medicare out of \$9 million? There are many pieces that had to fall into place in order for someone to successfully pull that off, and not surprisingly, the person on Medicare is an important part.

Let's talk about durable medical equipment (DME) scams. It can begin in multiple ways including the following:

1. A fraudulent DME company approaches a fraudulent physician, or uses an unsuspecting physician's stolen identity, to medically certify that a person on Medicare needs supplies.
2. A fraudulent DME company calls people on Medicare and successfully talks them into unneeded supplies and collects Medicare numbers.
3. A fraudulent DME company faxes a legitimate provider office for a back brace, and often people have suffered from a bad back and has record of such, so the provider signs off on the back brace. The supplier then has all the information it needs to continue billing for more unnecessary supplies.
4. A fraudulent DME company may have stolen or otherwise purchased Medicare beneficiary numbers.

In any case, the next step to bilking Medicare for \$9 million through DME fraud includes one of two things: They submit a claim to Medicare and send a back brace to a person on Medicare, or they simply submit a claim to Medicare for the brace but never actually send it. Typically no actual equipment is delivered, and the beneficiary may not know the equipment is being billed in their name.

Once one item is successfully billed, in cases of fraud more items are soon to follow. In addition to the various braces for other parts of the body, common costly DME items that are offered include "custom" diabetic shoes, oxygen, nebulizers, and therapeutic mattresses.

To compound the situation, aside from making money on the unnecessary supplies, they can also make money by selling your information and soon other fraudulent providers are submitting claims.

Before you think to yourself that this couldn't happen to you, unless you are scanning over your quarterly Medicare Summary Notices (MSN) or monthly Medicare Advantage Explanation of Benefits (EOB), then it very easily can happen to you.

In 2019 several Montana Medicare beneficiaries contacted SMP to report just such activity on their MSN's. In all cases they did not recognize the provider listed, nor had they ordered

anything. In many cases there were several different companies involved, which indicated their information was sold and/or the companies were acting together.

In none of the cases did anyone receive an actual bill, however someone had opened and looked at their MSN and reported the claim they didn't recognize to MT SMP.

MT SMP collected all of the information and documentation, including the MSN's, and determined quickly that fraud had occurred. They wrote up the case notes and turned everything over to the Office of Inspector General (OIG) and MT US Attorney's Office.

Once SMP refers a case for fraud, it is a one way door. We won't receive updates on the case along the way, however we will know if the case was accepted.

In July of 2021 two Montana nurse practitioners were sentenced for conspiring to defraud Medicare of millions of dollars, the same two people who had ordered the supplies in all of the MT SMP cases.

Chief U.S. District Judge Brian Morris sentenced Janae Nichole Harper, 34, of Kalispell, to 12 months in prison and Mark Allen Hill, 54, of Edinburg, North Dakota to 9 months in prison. Both defendants will be placed on supervised release for 3 years after their release from prison. Additionally, Harper was ordered to pay \$4,307,934.58 in restitution and Hill was ordered to pay \$5,054,866 in restitution.

In court documents, the government alleged that from Nov. 18, 2017 through July 16, 2019,

Harper and Hill worked with certain staffing and telemedicine companies to commit health care fraud and received money to sign brace orders that were prepared by telemarketers who had no medical training or certification. Separately, they routinely signed these orders for Medicare beneficiaries regardless of medical necessity, often without ever talking to the Medicare beneficiary.

Combined they signed approximately 14,770 brace orders, which resulted in \$18,315,285 billed to Medicare, of which Medicare paid approximately \$9,362,800. Harper was paid at least \$94,395 for the orders she signed and Hill was paid at least \$124,900 for the orders he signed.

Though these two were caught, it is still an enormous cost for us all. We paid for the investigation by the OIG, the prosecution by the DOJ, and to incarcerate and eventually supervise. Not only that, but it is highly doubtful the defendants had the money in their banks to give back.

We cannot arrest our way out of a problem. The much more economical way to fight on the Medicare fraud front is to simply read every single MSN or MA EOB that comes in the mail. If there are items that appear that you didn't order or receive, report to MT SMP immediately. If there are providers you don't recognize or services you don't remember, report it to MT SMP immediately.

Additionally, protect your Medicare number as you would your bank account and never give personal information out over the phone unless you initiated the call. Follow these tips and you can be the first line of defense until every person out to bilk Medicare for millions will be stopped before they even get \$500.

<https://www.justice.gov/usao-mt/pr/nurse-practitioners-sentenced-prison-health-care-fraud#:~:text=GREAT%20FALLS%20%E2%80%93%20Two%20Montana%20nurse,to%209%20months%20in%20prison.>

The Senior Medicare Patrol (SMP) helps to educate Medicare beneficiaries about ways to prevent, detect, and combat Medicare fraud. For more information about Medicare fraud, visit the Stop Medicare Fraud website at www.stopmedicarefraud.org.