

# SMP and SHIP Cases Show COVID-19 Fraud Trends



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As the COVID-19 pandemic emerged, beneficiaries reached out to both the SMP and SHIP programs with complaints about suspicious activities. The programs were then in a unique position to track fraud trends and share those with the public and with law enforcement. They also educated the public on COVID-19 Medicare fraud prevention and coverage/enrollment matters, SMP and SHIP cases, and program efforts.

## The First Complaint

As the details of the pandemic began to emerge, so did the scams. The Senior Medicare Patrol National Resource Center (SMPNRC) posted information regarding potential COVID-19 fraud schemes on their [social media](#) and [website](#) in March 2020 and received their first documented complaint regarding COVID-19 fraud on March 13 from the Louisiana SMP. The complaint involved a Medicare beneficiary who received an unsolicited call regarding eligibility for a free test kit and was asked to provide personal identifying information. The SMPNRC immediately began tracking all COVID-19-related complaints and collaborated with the Administration for Community Living (ACL) to release fraud education and reference materials. The materials included a COVID-19 consumer fraud alert, consumer tip sheet, infographics, media tip sheet, video, and sample press release template. As state SMP programs increased their fraud education efforts, beneficiary complaints began to roll in.

## Tracking the Trends

By the end of March 2020, eight states (Louisiana, Washington, California, Indiana, Maine, Michigan, New Mexico, and Arkansas) had reported COVID-19 complaints. The fraud spread quickly, and scams were being reported by a total of 20 states (adding Arizona, New York, Texas, Idaho, Oregon, Utah, Florida, Alaska, Ohio, Georgia, Pennsylvania, and Tennessee) by the end of April

2020. Even the SHIP programs began to get fraud complaints – working with their SMP colleagues to ensure quick reporting. The first SHIP complaint was taken on March 17 by the Washington SHIP and involved an unsolicited call offering a “special virus kit” once the beneficiary provided medical insurance information. The caller had her name and address but asked her to confirm her date of birth and Medicare number to receive the kit. The

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caller also mentioned her history of back pain and offered to send a back brace as well. ACL immediately began sending the specific referrals to the U.S. Department of Health & Human Services (HHS) Office of Inspector General (HHS-OIG) and released their first COVID-19 summary report within

weeks. Complaints involving new schemes, possible patient harm, or large-scale/multistate matters are useful information for the SMP’s national partners.

## Types of Fraud

By early May 2020, four distinct types of COVID fraud began to emerge from the SMP/SHIP complaints: COVID-19 testing, treatment, vaccines, and cures; pandemic supplies and equipment; related medical services; and other pandemic-related fraud. In the first category, the largest volume of complaints was related to testing and vaccines; however, unique complaints were received in each of the four categories – with other pandemic-related fraud raising insurance solicitation concerns.

## Testing

COVID-19 testing, treatment, vaccines, and cures has consistently been the top category since SMP and SHIP complaints started coming in. Within this category, testing-related fraud (often associated with medical and financial identity theft attempts) has been the top reported type of complaint. As expected, the scammers followed the headlines. As antibody tests began to emerge, so did marketing schemes regarding those specific tests. As media reports began to report concerns about test accuracy, robocall scams began to mention testing services from Centers for Medicare & Medicaid Services (CMS)-approved laboratories.

In March 2020, ACL began to receive reports from the Massachusetts SMP that individuals of unknown qualifications

and health agency association were approaching senior housing and assisted living facilities about opportunities for COVID-19 testing. The Iowa SMP reported that Medicare beneficiaries were receiving unsolicited calls from individuals purporting to be from CMS – claiming that the beneficiaries were qualified for in-home COVID-19 testing due to their medication history. In one unusual case in April 2020, the Idaho SMP received a mass email solicitation from a medical supply coordinator regarding COVID-19 testing services from a questionable source. The SMP worked with the well-meaning supply coordinator to educate all 600 individuals on the email distribution list (other medical supply coordinators and health professionals) to proceed with caution. In another case, the Florida SHIP and SMP reported that several individuals received a COVID-19 test at a drive-thru testing site sponsored by a local club. Medicare was later billed for thousands of dollars for each beneficiary (over \$12,000 in one case) in diagnostic tests – including an array of bloodwork panels and genetic tests. As CMS began to understandably loosen restrictions regarding telehealth services, complaints were received from a number of states regarding solicitations for testing ordered by telehealth providers.

### Vaccines

Vaccine scams deserve their own category due to the fascinating timing of scheme variances aligning with media coverage of the national vaccination effort. The vaccine-related complaints started to come in on November 19, 2020 – almost a month prior to the emergency use authorization (EUA) of the first vaccine on December 11, 2020. The network's first vaccine scam, which

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was reported by the South Carolina SMP, involved a beneficiary who received an unsolicited call from someone purportedly representing Medicare. The caller stated that the beneficiary and his wife would be one of the first ones to receive a vaccine if they signed up by providing their Medicare numbers.

As the race for additional vaccines was reported by the media, savvy scammers used social engineering techniques to lure individuals into purported vaccine trials (for the purpose of financial and identity theft). In December 2020, the Indiana SMP reported that they received notification from a local contact that individuals were being recruited via text for vaccine trials with the offer of \$1,200 to participate. The individuals were

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told to enter their bank account information to receive the money, then report to a specific location to begin the trial and get their vaccine. The individuals reported to the location only to find out it was a scam.

Within two months of the approval of the first vaccine, multiple complaints regarding vaccine solicitation and scheduling schemes would be reported by Alabama, Arkansas, California, Connecticut, Hawaii, New Jersey, Michigan, Tennessee, and New York. In an interesting case reported by the New York SHIP and SMP, a beneficiary reported that they received multiple emails a day to take a vaccine survey. Further research revealed that after completing the survey, the reader was directed to claim their “free” prize (such as an iPad Pro) by simply entering their credit card information to pay for shipping and handling – an obvious attempt at financial identity theft. Within a few weeks of the initial vaccine survey complaint, similar complaints were received from Connecticut, Montana, and Oregon – including scam attempts that replicated the vaccine manufacturer’s name and logo.

### **Pandemic Supplies and Equipment**

It’s no surprise that several of the first complaints taken by the SMP and SHIP programs were related to pandemic supplies and equipment. In fact, at one point pandemic supplies and equipment tied with related medical services as the second most-frequently-reported scam. Scammers heavily pushed COVID-19 “kits” (purportedly containing masks, gloves, and hand sanitizer) during the initial startup of the pandemic, along with N95 masks and personal protective equipment (PPE). Some SMP and SHIP staff even received direct email solicitations, including those from international sources. In an interesting complaint from Iowa, a beneficiary reported that her physician received an unsolicited fax from a pharmacy for N95 respirator masks. The fax listed the beneficiary’s personal identifiers and health information and listed a diagnosis of COVID-19 as the justification for ordering the masks. Neither the beneficiary nor the physician ordered the masks. The Iowa SMP would later report additional complaints, and similar incidents were reported by Nebraska, Ohio, and Tennessee.

### **COVID-19-related Medical Services**

COVID-19-related medical services was the second-highest type

of complaint reported until February 2021, when it was outpaced by other pandemic-related fraud. One of the more unique aspects of the pandemic fraud that developed was add-on services – especially those related to previous high-volume fraud schemes such as genetic testing and durable medical equipment (DME) brace scams. In a complaint reported by the Alabama SMP, a Medicare beneficiary was contacted by phone about a COVID-19 test and vaccine as well as a genetic DNA test. The company sent a representative to her home to conduct a COVID-19 and genetic test. In a case reported by the Colorado SMP, a beneficiary reported unauthorized charges to their Medicare account for back and knee braces. The beneficiary recalled being contacted

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from a purported Medicare representative regarding a new COVID-related program through SHIP that would be “free” to her for one year with no changes to their existing benefits. The caller stated they could see from the beneficiary’s medical record that the beneficiary qualified for orthopedic braces. The caller then transferred the beneficiary to someone who evaluated the medical necessity for a back brace, and the beneficiary received a call again the next day regarding knee braces.

### **Other Pandemic-related Fraud**

Other pandemic-related fraud was initially developed as a catchall category for complaints that didn’t fit into other areas. Health insurance schemes have dominated this category from the beginning, but other unique types of fraud began to appear. They included charity scams, financial schemes, and bogus investment opportunities – especially those related to medical supply and health care startup companies. In multiple complaints, beneficiaries were contacted by someone purporting to be from Medicare who offered to send new and/or laminated Medicare cards simply for providing their Medicare number. In August 2020, the California SMP reported that they received information that a Medicare Advantage broker service was using the guise of delivering COVID-19 prevention kits in an attempt to set up in-person appointments with beneficiaries to convince them to switch insurances.

### **Methods of Contact**

By May 2020, specific methods of contact were tracked along with COVID fraud types and began to reveal interesting trends.

## **In Person**

As of February 2021, the leading method of contact was in person – fortunately, that was primarily related to in-person services (such as testing and office visits) as opposed to door-to-door solicitation. Door-to-door solicitation and in-home services can be high-risk scenarios for vulnerable seniors and in some cases involve an impostor. In one complaint from August 2020, the New York SHIP and SMP programs reported that an unsolicited individual rang the doorbell of a beneficiary and asked if the beneficiary had been tested for COVID-19. When the beneficiary replied they had not, the individual demanded the beneficiary get tested, stating that the state governor had ordered testing and it was against the law not to get tested.

## **Text and Telephone**

Text and telephone solicitation was the highest category reported from May to August 2020 and robocalls and telemarketing continue to be a significant driver of complaints. In one case reported by the Pennsylvania SMP, a Medicare beneficiary received a call from someone who knew their specific medical condition and the name of their physician. The caller indicated the beneficiary was eligible for a “free” COVID-19 test due to their medical history. The caller obtained the beneficiary’s Medicare number, informed them that they would fax a script to their physician, and then transferred the beneficiary to someone who evaluated them for orthopedic braces.

## **The Value of SMP and SHIP Work**

The SMP and SHIP programs have provided detailed and real-time information to law enforcement and other national partners from the early months of the pandemic. In addition to law enforcement referrals, complaint trends have been utilized to develop educational materials that help prevent fraud. The value of SMP and SHIP program efforts are not just limited to fraud prevention but also in the prevention of patient harm – the ultimate goal of any program integrity effort. ↗