

DME FRAUD & SCAMS—

Durable Medicare Equipment (DME) is equipment that serves a medical purpose, is able to withstand repeated use (3 yrs or more), and is appropriate for use in the home (although you may use it outside the home). Medicare only covers DME if a Medicare-enrolled doctor determines it is medically necessary for your use in the home and orders it for you.

Fraudsters and scammers are contacting Medicare beneficiaries to offer “free or low cost” DME, and are billing Medicare for unnecessary equipment using the victim’s Medicare information.

What You Should Know:

Medicare Part B covers certain DME items, if prescribed by your doctor, for example: oxygen and oxygen equipment, wheelchairs, walkers, certain diabetes supplies, and hospital beds. Some items must be rented. You pay 20% of the Medicare-approved amount, and the Part B deductible applies. If you are an inpatient in a skilled nursing facility, DME is covered by Part A.

Beginning January 1, 2021, according to the DMEPOS Competitive Bidding Program, you must use specific suppliers called “contract suppliers,” if you want Medicare to help pay for the item. In Arkansas (Little Rock, North Little Rock and Conway) - ONLY KNEE BRACES.

Examples of DME Scam Calls and DME Fraud:

- ◆ Seniors think scam call is legitimate because the caller knows certain personal information about them like name, address, doctor’s name, and illness (diabetes, back pain, arthritis)
- ◆ Caller states the offer is “Medicare Approved”
- ◆ Caller states “it is free to you, Medicare will pay—we just need to verify your Medicare number.”
- ◆ DME rental—lack of understanding. Beneficiary is often not sure when the rental period is up and supplier continues to bill Medicare AFTER rental period is up.
- ◆ Medicare denial because Medicare number has previously been used fraudulently to bill for item without the knowledge of the beneficiary.
- ◆ NEED Prescription: Scam Faxes—Need prescription to bill Medicare — Scammer gets Medicare number and sends a fax to provider who assumes his patient ordered the DME from that company. Provider signs fax and returns to fraudster. Fraudster now has the prescription to order and bill Medicare.
- ◆ Beneficiary receives a package containing braces that were not ordered by doctor. TIP: Be sure to check MSN for charges for that package and also return package as unaccepted but **BE SURE TO GET A RETURN RECEIPT!!** Then call the AR SMP for assistance.
- ◆ A DME supplier bills Medicare for a more expensive item than what was provided.
- ◆ A DME supplier continues to bill Medicare for equipment after it has been returned.

How to Respond:

- ◆ Be sure your doctor has assessed your condition and is the one who orders the DME or supplies.
- ◆ Never sign a blank form from your provider or DME supplier.
- ◆ Do not give personal information to callers offering DME.
- ◆ Refuse and report any equipment or supplies offered for “FREE.”
- ◆ Always review your MSNs or EOBs for charges for equipment you do not need or did not receive.

REPORT all scams to the Arkansas SMP—866-726-2916



NATIONWIDE BRACE SCAM

Scammers are contacting Medicare beneficiaries to offer "free or low-cost" orthotic braces. These fraudsters bill Medicare for medically unnecessary equipment using beneficiaries' information. All beneficiaries across the country are potential targets in this scheme.

The Alleged Scheme and Key Players



Conspirators

They own a call center that airs television and radio advertisements for orthotic braces paid for by Medicare. Telemarketers call beneficiaries directly to offer "free or low-cost" orthotic braces.



Call Center

The call center confirms that the beneficiaries are on Medicare and transfers beneficiaries to a telemedicine firm for a doctor's consultation.



Doctor & Telemedicine Co

Regardless of medical necessity, the doctor prescribes an orthotic brace. The telemedicine company submits the brace prescription to the call center.



Medical Equip Co

After the medical equipment company buys the prescriptions, the medical equipment company sends the brace, or multiple braces, to beneficiaries. The company bills Medicare and pays a kickback to the conspirators.



Call Center

The call center collects the prescriptions and sells them to the medical equipment company.

U.S. Department of Health and Human Services
Office of Inspector General



Learn More: oig.hhs.gov/bracescam

Report Fraud: 1-800-HHS-TIPS or oig.hhs.gov/fraud/hotline

Modified from: https://oig.hhs.gov/fraud/consumer-alerts/alerts/brace-scheme_infog-horz.png