



Next Meeting of the Coalition

Wednesday, April 16, 2003

8:30am – 11:00am

455 Sherman Street
Denver, CO

Program:

Blowing The Whistle on Medicare/Medicaid Fraud!

Program/Meeting is open to anyone who would like to attend. You do not need to be a member of CCERAP.

Guest Speakers:

Robert Pierce

Colorado Division of Insurance
Senior Assistance Program

Mark Zammuto

Assistant Attorney General
Medicaid Fraud Control Unit

Networking Spotlight:

Premier Showing of "Senior Security II" and/or Senior Emergency Preparedness

8:30 – 9:00am Continental Breakfast

9:00 – 9:30am Program on Medicare

9:30 – 10:00am Program on Medicaid

10:00-10:15am Questions & Answers

10:15-10:30am Network Spotlight

10:30-10:45am Meeting/Attendee
Networking

Adjournment

11:00am CCERAP Steering
Committee Meeting

CCERAP Coordinator:

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Patience, Persistence Are Fraud Investigator's Tools

By Bill Scanlon, Rocky Mountain News, August 25, 2002

There was something fishy about the number of Medicaid patients Thanh Son Thai was driving to area hospitals.

Thai, owner of Thai Transportation Services Co., was billing five or six rides a week for most clients. Even kidney dialysis patients need treatment only three days a week. His bills "were out of whack with everyone else's - by a significant amount," said Mark Zammuto, Assistant Attorney General with Colorado's Medicaid Fraud Unit.

But in the giant bureaucratic blizzard of Colorado's Medicaid program, prosecutors and investigators chasing numbers can become snow-blind. Patience, doggedness and excellent reading glasses are essential qualities of a Medicaid prosecutor or investigator. "We're proving hundreds of thousands of dollars in thefts, \$15 or \$20 at a time," said Don Quick, the Deputy Attorney General who oversees the criminal justice section, which includes the fraud unit.

District attorneys in Colorado might have two or three boxes of files when they're prosecuting a burglary, sexual assault or murder. Zammuto had entire pickup truckloads of paper to sort through in the Thai Medicaid case. "I see these types of crimes as more intentional than violent crimes," which sometimes are heat-of-the-moment explosions, Zammuto said. "Doing something over and over hundreds or thousands of times - every time reaffirming your intent to do it - it's almost more egregious than someone losing his temper one time."

In the case of Thai Transportation, Zammuto said, the 25 to 30 claims a month on the same name "raised our suspicions real quick. It was significant fraud - \$75,000 to \$100,000 a month." Thai, who ran the largest Medicaid transportation service in Colorado, illegally billed for rides for seven months between late 2000 and early 2001, Zammuto said. Fraud unit investigator Marlin Peterson found that most of Thai's Medicaid clients rode one or two times a week, if at all.

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Colorado's Hall of Shame Cell Block #37 – Goin' For a Ride!



Thai pleaded guilty to one count of computer crime, a Class 3 felony. The Arapahoe County District Court sentenced him to 10 years in the Department of Corrections followed by five years of mandatory parole. He also was ordered to pay \$400,000 in restitution.

The great moments come *"when you do see the pattern. When you see there really is a smoking gun, you say, 'So this is how it's being done,' "* Zammuto said. Then, it's more weeks of cataloging the fraud, of interviewing patients and doctors, of making it clear to perpetrators that you have them nailed. Zammuto noted that Medicaid fraud cases rarely reach juries. *"When you finally get the papers in coherent form, that's 99 percent of it," he said. "There's little left to argue about."*

Mark Zammuto will be one of the Guest Speakers at the CCERAP Quarterly Meeting, Wednesday, April 16, 455 Sherman, Denver, beginning at 8:30 am. You won't want to miss what he has to share about Medicaid Fraud and how you can help fraud investigators.

"An Ounce of Prevention is Worth a Pound of Cure!"

By: Kathy Rickart, CCERAP Coordinator

At the April 16th meeting, the American Red Cross will present a 15 minute spotlight on Emergency Preparedness Information and the Elderly. After Hurricane Andrew, it was apparent to Florida professionals they were not prepared to assist the elderly. Since then measures have been put into place. Part of protecting the elderly today may just include diffusing the panic they are feeling from watching too much TV; and helping them to deal with threats or natural disasters by giving them information on how to prepare.

See bottom of pages 3, 5 & 6 for obtaining Emergency Preparedness Information. You can ask for quantities of 25 of the L-154 leaflet.

The H-34 Handbook is a 56 page booklet with complete information on all types of disasters. Only 1 copy per order.

Your Help Is Needed to Stop Medicare Fraud

Source: Health Care Financing Association, Publication # 10111

Medicare fraud steals millions of dollars every year from the Medicare program. Beneficiaries pay for it with higher premiums. Fraud schemes may be carried out by individuals, institutions, or groups of individuals.



Medicare fraud includes, but is not limited to:

- Billing for more expensive services at a higher fee than actually provided
- Falsifying certificates of medical necessity plans of treatment, and medical records to justify payment.
- Billing for services not furnished.
- Soliciting, offering, or receiving a kickback.
- Billing separately for services that should be included in a single service fee.
- Misrepresenting the diagnosis to justify payment.

We need your help to stop Medicare fraud and abuse. You can help protect Medicare and yourself by reporting all suspected instances. When you receive payment notices from Medicare, review them for errors. Make sure Medicare did not pay for services, medical supplies or equipment that you did not receive.

If you have a questionable charge or your bill, call the provider, your Fiscal Intermediary (for Part A bills) or your Medicare carrier (for Part B bills). If you believe that a health care provider may be cheating or abusing the Medicare program, call the Medicare carrier or intermediary that sent you the payment notice. Finally, call the Inspector General's hotline at 1-800-447-8477, or TTY for the hearing and speech impaired at 1-800-377-4950.

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Phony Health Coverage

Printed with permission from: *Coalition Against Insurance Fraud, www.insurancetraud.org*

Con artists are selling phony group health coverage to small businesses and consumers who are looking for lower-priced insurance to beat today's skyrocketing premiums. These scams are operating in nearly every state. They're stealing millions of dollars from people across America. These swindles can leave you dangerously uncovered when your medical bills need paying — and your health is on the line.

How the scams work

You're contacted. An insurance agent or other rep may try to sell you group health insurance at rock-bottom prices. You may also receive slick marketing material in the mail, or see enticing ads. Typically you're promised premiums up to 50 percent below normal — plus superior coverage and a large, convenient network of skilled medical providers.

Coverage too easy.

The insurance also is easy to obtain — too easy. You need few or no medical exams or medical questionnaires. And you can sign up even if you already have an illness or injury for which other plans turn you down. You may simply have to join an association or union and write out a premium check.

No licenses.

The agent or rep also falsely insists that federal law exempts the plan from state licensing (in fact states do require licenses). It's an amazing deal — and phony.

No insurance.

You have no health coverage or provider network. Your insurance company is fake, and the "association" exists only on paper. Your premium money is being stolen.

The price you pay

You foot the bills.

You must pay all medical bills yourself. Many people ended up paying hundreds or thousands of dollars out of their own pockets — including critical treatment such as kidney transplants, chemotherapy and eye surgery. People have spent their life savings, sold their homes, gone into debt, wrecked their credit and disrupted their lives.

Health endangered.

Your health also could be in danger. Some people have delayed urgent medical care — threatening to make their illness worse.

Finance crooked lifestyles.

And what happens to your stolen premiums? The crooked plan's owners spend your money on mansions, vacations, jewelry, large salaries and other luxuries.

10 Warning Signs

Watch for these warning signs of a possible swindle...

1. The coverage costs 25 percent or more below the norm, yet promises generous benefits and a large provider network.
2. The plan readily accepts people with serious illnesses and other medical conditions that other plans normally reject.
3. The insurance has few or no underwriting guidelines — the agent or rep appears almost too eager to sign you up.
4. You're approached by an insurance agent, by phone or direct mail. Honest group plans normally are sponsored by your employer — and aren't sold directly to individuals.
5. The plan isn't licensed in your state, and the agent (falsely) assures you the federal ERISA law exempts the plan from state licensing.
6. The plan seems like insurance, but the agent or rep avoids calling it "insurance," and instead uses evasive terms such as "benefits."
7. The agent or rep don't have clear answers to your questions, seems ill informed, or avoids sharing information.
8. You've never heard of that health insurance company — and nobody else has, either.
9. You have to join an "association" or "union" to obtain the health coverage. But you get no voting rights, receive no bylaws or other material, and aren't involved in the group's activities.
10. Your hospital keeps calling you to complain that your health plan isn't paying your medical bills. Often the plan's reps keep making flimsy excuses, or stop returning phone calls altogether.

4 Ways to Protect Yourself

Play it safe and smart before buying your health coverage...

1. Contact your state insurance department. Ask if the insurance company is licensed in your state or has a history of complaints.
2. Watch for slight differences in names between an unlicensed and licensed health insurance company. Often the phony name closely resembles a legitimate insurer. One example: The crooked Employers Mutual LLC sounds just like the real Employers Mutual Insurance Company.
3. Never rely on slick marketing literature or high-pressure sales pitches. Check the facts yourself — call your state insurance department. Colorado Division of Insurance / Senior O????? Program (303) 899-5151 or 1-800-696-7213. En Espangol sin cargo 1-866-665-9668.
4. Back off and ask questions if ...
 - the deal sounds too good to be true;
 - the agent or rep insists that you buy now;
 - the agent or rep sounds evasive when you ask direct questions.

Insurance Fraud Hall of Shame

Printed with permission of the Coalition Against Insurance Fraud

Welcome to the Insurance Fraud Hall of Shame. Dishonored here are America's top insurance crooks, swindlers and all-around knuckleheads. They're enshrined for insurance scams that were strikingly large... brazen... tragic... vicious... or plain stupid. And they all helped make everyone's insurance premiums higher.

Cell Block #22 - Heartless Heart Doc!



Dr. Andrew Cubria performed more than 750 mostly worthless and painful heart operations such as angioplasties, inserting catheters and stints, and even implanting pacemakers to bilk taxpayer-supported Medicaid out of millions of dollars. At least two people died from Cubria's needless angioplasties. Cubria preyed on Chicago's impoverished seniors, homeless people and addicts, luring them to Edgewater Hospital from inner-city shelters with promises of cigarettes, cash and free food. His needless operations imperiled some elderly patients who already suffered from real heart problems, strokes, kidney diseases and other serious maladies. Cubria lied to some healthy patients about their medical condition to convince them they needed the operations, and falsified medical records to cover up his schemes. He also coached many patients on how to fake symptoms to justify medical tests he billed to insurers before the operations. Cubria received 12 years in a federal prison in June 2002.

Cell Block #46 – What Nerve!



Dr Felix Vasquez-Ruiz gave thousands of poor people painful and worthless nerve tests using dangerous electric shocks to patients' arms and legs so he could fraudulently bill taxpayer-supported health insurers \$4 million. Patients with heart conditions or high blood pressure could've suffered strokes or heart attacks from the shocks. The Chicago physician lured many patients from health screenings set up in grocery stores. Most were Hispanic factory workers; he promised them free tests but charged insurance companies \$3,000 per test. The tests also revealed some patients actually had serious medical problems, but Vasquez-Ruiz didn't bother telling them. Vasquez-Ruiz also falsified medical records to make it seem thousands of patients had complained of serious pain in their arms, legs and back. "You lied through your teeth. I'm not sure what was true about your testimony besides your name and address," the judge said. He sentenced Vasquez-Ruiz to 14 years in federal prison in September 2002.

To read about more convicted insurance fraud criminals and their insidious crimes, go to www.insurancefraud.org/hallofshame. Tour the Hall of Shame. Enjoy, learn, get mad, and even laugh a little.

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Caution! - New Medicare Insurance Scam

Submitted by Robert Pierce, Colorado Division of Insurance, Senior Assistance Program

The Maine Bureau of Insurance has discovered a new insurance scam being perpetrated on Maine's elderly.

Seniors are receiving a card entitled "2002 Medicare Update" which states that in the last 24 months, AARP and other Medicare Supplement insurers have increased their rates up to 30%. The card goes on to state that a plan is now available in Maine at lower rates for those 65 or over where some people may qualify for a premium savings from \$150-\$400 per year or more. The business reply is to National Referral Service, PO Box 2927, Coppell, TX 75019-9713. The postal inspector in Boston has verified that this is a new scam and they've already received 6 complaints.

Robert Pierce will be one of the Guest Speakers at the CCERAP Quarterly Meeting, Wednesday, April 16, 455 Sherman, Denver, beginning at 8:30 am. You won't want to miss what he has to share about Medicare Fraud and your role as a professional in helping the elderly learn how to spot it and what to do to take action against it.

Spanish Language Medicare Hotline

Submitted By: Frank Alexander, Ombudsman/Elder Rights Coordinator, Boulder County Aging Services Division.

Now, people on Medicare who prefer to speak to a counselor in Spanish about their Medicare insurance inquiries can use a new, toll-free number at **1-866-665-9668**.

Consumers throughout the state of Colorado can call Eivaldo Valdez, a Spanish-speaking counselor, with their questions about Medicare, Medigap insurance, Medicare HMO's, Long-Term Care Insurance, and Medicaid. The service is provided through the Boulder County Aging Services Division.

"We are grateful that they are willing to assist Spanish-speaking consumers from around the state with Medicare questions," said Bob Pierce, Administrator for the Senior Health Insurance Assistance Program. "Our volunteer-based counseling programs can't always have Spanish-speaking counselors available when consumers call. The new toll free number will provide easier access to Medicare information and assistance for Spanish-speaking consumers. And when in-person counseling is needed, we can arrange for a local counselor fluent in Spanish to meet with the consumer later."

Medicare and Medicaid Online Resources



AARP – www.aarp.org

Click: Health and Wellness

Click: Health Insurance and Medicare

Colorado Medicare – www.coloradomedicare.com

State of Colorado – www.colorado.gov

Click: (right hand side) State Department and Agencies

Click: Regulatory Agencies

Click: Division of Insurance

Click: Senior Health & Medicare

Centers for Medicare and Medicaid Services – www.cms.hhs.gov

Search: Type in National Medicare Training

Click: National Medicare Training

At this site you can participate in an online Medicare Training Course that has 9 Modules of study.

Module 1: Medicare Program Basics and

Module 2: Rights and Protection for People with Medicare are up and running. Check it out.

Medicare – The Official U.S. Government Site for People With Medicare – www.medicare.gov

Information on Personal Plan, Assistance Programs, Nursing Home and Medigap Comparisons, Physician and Supplier Directories and more.



Health Fraud Scams



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Coalition Against Insurance Fraud – www.insurancefraud.org

Health care scams cost Americans billions of dollars each year. Taxpayer-funded programs such as Medicare, Medicaid and others are among the biggest victims. This makes health-care fraud one of America's largest taxpayer rip-offs.

Organized crime rings hatch many schemes. Hospital chains, individual employees and even patients also can be involved — as victims or perpetrators.

Most medical providers are honest and ethical. But here are just some of the health care scams you should know about...

Phantom treatments. Dishonest medical providers will bill health insurers for expensive treatments, tests or equipment you never received — and for illnesses or injuries you don't even have.

Double billing. Unethical providers may double or triple bill health insurers for the same treatments, hoping the insurer won't discover the overruns in the big stack of bills.

Shoddy care. You might receive shoddy or substandard treatment for real and urgent medical problems. One eye doctor shined penlights into patients' eyes and said he'd performed

cataract surgery. Surgeons have used defective pacemakers and catheters during heart surgeries, which have killed patients or required more surgeries to correct the problems.

Unneeded care. You might receive dangerous and even life-threatening treatment you don't need. One surgeon performed heart surgery on patients who didn't need it.

Bogus insurers. Insurance agents or brokers sell you low-cost health coverage from fake insurance companies. Then they take your premiums and disappear. You're left without vital health coverage, and don't even know it until you make a claim.

Identity theft. Cheaters steal your medical ID number, and then use it to bill health programs tens of thousands of dollars for phantom treatment. Crooks steal your health information from dumpsters behind medical clinics, break into doctor offices and steal files, and hack into computer databases containing your records. Medicare uses your SS# as a part of your ID. Just like your Social Security Card, do not carry it with you unless you know you will need it.

Rolling labs. Mobile diagnostic labs give needless or fake tests or physical exams to consumers, and then bill health insurers for expensive procedures.

Medicaid? Medicare? What's the Difference?

Source – Colorado Department of Health Care Policy and Financing Colorado Medicaid Publication and Colorado Division of Insurance, Senior Health Insurance Assistance Program publications.

Medicaid – a home health care benefit program for low-income and special needs Colorado residents.

The Colorado Department of Health Care Policy and Financing administers Colorado Medicaid. If you are a Colorado resident and meet the Federal and state income guidelines, you may be able to receive Medicaid health care benefits. To learn if you are eligible or to apply for Medicaid, look in the government pages of the phone book for the telephone number and address of your local County Department of Social Services. If you are age 65, a person with disability, or blind, you may apply for Medicaid and Supplemental Social Security Income at the local Social Security Office. You may also visit an Option for Long-Term Care/Single Family Entry Point agency to apply for Medicaid. Call your local County Department of Social/Human Services office for a list of agency sites.

Medicare – a federal health insurance for people age 65 and over and for many disabled individuals under the age of 65.

Other insurance coverage generally builds on Medicare payment with some exceptions. Medicare Part A is for hospital services and Part B is for doctor and lab services. The distinction exists because of different funding sources. Consumers usually don't have to pay a premium for Part A services because they or their spouses paid Medicare taxes while they worked. But all people on Part B must pay a monthly premium. Social Security has responsibility for determining eligibility for Medicare, enrollment into the program and issuing Medicare cards. There are strict time limits on when people can apply for Medicare (to avoid people waiting until they get sick to enroll) and no financial penalties for enrolling late. Because Medicare is a national program, there is no need to get a new card when moving from one state to another. For more information on Medicare, you can call the Colorado Division of Insurance, Senior Health Assistance Program at 1-888-696-7213.

Law Enforcement Training on Elder Abuse and Neglect

By Mark Zammoto, Assistant Attorney General, Colorado

The Colorado Attorney General's Office in conjunction with CCERAP and the Colorado Coalition Against Sexual Assault (CCASA) is offering law enforcement training on the detection, investigation and prosecution of elder abuse and neglect.

The four hour training covers issues unique to crimes against the elderly: detecting signs of abuse and neglect of at-risk adults, investigative and interviewing techniques for cases involving the elderly, laws specific to at-risk adults and resources available in the at-risk adult community.

This training is **FREE**. It is funded through a grant from the Violence Against Women Office, Office of Justice Programs at the U.S. Dept. of Justice.

The training can be arranged **on-site** at local law enforcement agencies. For more information, contact Mark Zammuto or Kerry Sanchez at the Colorado Attorney General's Office, (303) 866-5431.

New Video – And It Is FREE!

Senior Security II – Colorado's Older Adults Fight Fraud
– Available Spring of 2003.



This is a sequel to the Award Winning Senior Security I. It is being produced through the combined efforts of the Colorado Division of Insurance, AARP ElderWatch, Administration on Aging, Better Business Bureau of Denver-Boulder, Boulder Sheriff's Department, Colorado Coalition for Elder Rights and Adult Protection, CSU Cooperative Extension-Denver County, Denver District Attorney's Office, Boulder County Aging Services Division, Colorado State Ombudsman.

Senior Security II offers tips for Seniors on:

- 1) Medicare & Health Bill Management,
- 2) Charitable Solicitation Awareness,
- 3) Caregiver Issues, and
- 4) Investment Fraud.

Premier Showing
Senior Security II
April 16 @ 10:15am
455 Sherman St. Denver

This 22-minute video will be free to law enforcement officials, senior center and resident directors, religious, social, and professional or group health service professionals, adult protective service specialist, and others who work with older or at-risk adults.

If you would like to order your video so it can be sent out as soon as it is ready for distribution, fill out the Address Change Form on the back page and check on the bottom - Please send me the Senior Security II video; and fill in the "group" you plan to show the video.

More Resources!

The State of Colorado, Division of Insurance has a number of publications and videos available to senior organizations to assist with activity programs for seniors. Additional information and how to order is available by calling 303-894-7553. There is no charge for these items.

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