



**Office of External Affairs**

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# MEDICARE FACT SHEET

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## **The New Medicare Prescription Drug Program: Attacking Fraud and Abuse**

The Centers for Medicare & Medicaid Services (CMS) is expanding its efforts in fighting fraud and abuse in Medicare by using state of the art systems and expertise to prevent problems before they occur in the new Medicare prescription coverage.

Through a three-pronged approach, CMS will fight fraud and abuse and help people with Medicare protect themselves even before the new drug coverage begins on January 1. The approach uses new and innovative techniques to monitor and analyze data to help identify fraud; work with law enforcement, prescription drug plans, consumer groups and other key partners to protect consumers and enforce Medicare's rules; and provide basic tips for consumers so they can protect themselves.

### **Preventing Fraud and Abuse**

With recommendations from experts in law enforcement and other fraud and abuse and program integrity experts and organizations, CMS is now working with eight Medicare Rx Integrity Contractors (MEDICs) that possess specialized skill sets enabling them to find fraud, waste and abuse in the new prescription drug program. These contractors will assist CMS by:

- Analyzing data to find problems that may indicate fraud or abuse could be occurring;
- Investigating potential fraudulent activities surrounding enrollment, eligibility determination or distribution of the prescription drug benefit;
- Investigating unusual activities that could be considered fraudulent as reported by CMS, contractors, or beneficiaries;
- Conducting fraud complaint investigations; and
- Developing and referring cases to the appropriate law enforcement agency as needed.

The eight MEDICs are:

- Delmarva Foundation for Medical Care, Inc.
- Electronic Data Systems Corporation (EDS)
- IntegriGuard, LLC
- Livanta, LLC
- Maximus Federal Services, Inc
- NDCHealth
- Perot Systems Government Services, Inc.
- Science Applications International Corporation (SAIC)

CMS has also taken steps to resolve concerns and premature marketing actions by prescription drug plans, including issuing warning letters to Part D contractors and working with state regulators to enforce marketing agent licensure requirements.

### **Working With Law Enforcement**

CMS is continuing to take strong steps to combat waste, fraud and abuse in Medicare, and is incorporating those steps into the new drug benefit. Joining CMS in that effort are Medicare beneficiaries, health care providers, and state and federal law enforcement agencies such as the Department of Health and Human Services Office of the Inspector General, the Federal Bureau of Investigation (FBI), and the Department of Justice.

The expanded efforts are paying off. In one case, CMS referred to local law enforcement reports of a scheme to sell drug benefit cards to people with Medicare in which people asked beneficiaries for bank card information. In another case, which also was referred to law enforcement, people asked for bank and other personal financial information in an attempt to offer assistance with the new prescription drug coverage.

### **Tips for Beneficiaries**

Any Medicare beneficiary who suspects fraud should call 1-800-MEDICARE (1-800-633-4227), local State Health Insurance Assistance Program (SHIP) or a local law enforcement agency.

Medicare beneficiaries also need to be aware of how to protect themselves against identity theft. CMS has released “Quick Facts About Medicare Prescription Drug Coverage and Protecting Your Personal Information,” to help beneficiaries learn some of the key ways they can protect themselves. (Fact sheet is attached and can be found at <http://www.medicare.gov/Publications/Pubs/pdf/11147.pdf> )

Anyone with Medicare who finds that someone is inappropriately using their personal information should contact: 1-800-MEDICARE and The Federal Trade Commission’s ID Theft hotline at 1-877-438-4338 to make a report (TTY users should call 1-866-653-4261). Beneficiaries who feel in danger for any reason should call their local police department immediately.

For more information about ID theft protection, visit [www.consumer.gov/idtheft](http://www.consumer.gov/idtheft).

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