



Promise Health Plan

MEDICAL IDENTITY THEFT



Medical identity theft continues to be a major financial drain on the health system and is the fastest growing form of healthcare fraud. It poses a threat to consumers' health and finances.

According to the recently released Federal Trade Commission's 2021 Identity Theft Report, some 42,000 individuals reported having their personal information used to obtain medical treatment and services in 2020.

The Centers for Medicare and Medicaid Service (CMS) indicated that 4 trillion dollars was spent on health care in 2020. The National Health Care Anti-Fraud Association estimates conservatively that health care fraud accounts for 68 billion annually - about two percent of the total money spent on healthcare in the United States. Other estimates range as high as ten percent of annual healthcare expenditure, or 400 billion.

Medical ID theft is the most complicated form of ID theft, being easy to commit and difficult to detect. It leaves a trail of falsified medical information that can plague the victim, which can also have a long-term devastating effect.

Medical identity theft: an act in which someone uses a health plan member's name and health insurance without the member's knowledge or consent to obtain medical treatment, benefits, prescription drugs or goods. It poses a threat to consumers' health and finances.

If you become a victim of medical ID theft, we encourage you to immediately file a police report, notify your insurance carrier and alert your provider of the problem.

Victims have a right to correct any misinformation contained in their medical records. It is imperative that providers have accurate information to avoid inappropriate life-threatening

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treatment and contribute to a potential loss of life. If you are the victim of medical ID theft, you also should file a complaint with the Federal Trade Commission.

Medical identification cards and numbers should be treated like a credit card with a million-dollar limit. Blue Shield of California Promise Health Plan recommends members do the following:

- Keep tabs on all medical identity cards. Don't leave them at a provider's office, hospital or with other medical service providers.
- Restrict all access to medical ID cards and don't allow others to use an ID card for any medical reason. Unauthorized use not only compromises an individual's health records, but also could be a criminal offense.
- Do not give your medical ID number to telemarketers, unauthorized persons or clinics providing free services. Any of these could use your information to submit false claims to an insurance company without your knowledge.
- Review Explanation of Benefits (EOB) and other information from your health insurer carefully to validate the services you received. Look for any 'red flags' that could signal deceptive filings, such as errors in group or account numbers, inaccurate names of medical professionals, facilities or procedures. Alert the health plan provider of any inconsistencies and let your insurer know if you did not receive the medical care identified on the EOB.
- Consider shredding all medical documents, including EOBs, entry registration forms for any inpatient or outpatient services and pharmacy prescription labels, once the information is no longer significant to your health care. Any unnecessary medical information that needs to be retained should be stored in a locked file.
- Check credit reports annually for any discrepancies; incorrect information could lead to legal liabilities and financial losses. Identity theft insurance can be purchased from any home insurance carrier, which should provide a certain amount of protection.
- Be wary of emails with recommendations to "update your account immediately," as most of these invitations are scams. When in doubt, call your health care provider and verify the request.
- Maximize protection of online medical records by rotating passwords frequently.

Additional assistance

For additional assistance and information regarding medical identity theft, contact the World Privacy Forum, the Coalition against Insurance Fraud, or the Federal Trade Commission. Identity theft complaints can be filed online with the FTC.