



Medical Identity Theft: It Can Kill What Every Consumer Needs to Know

Medical identity theft is a real and serious problem; a problem that can actually kill. According to a recent report by the World Privacy Forum, a non-profit public interest and research consumer education group, between 250,000 to 500,000 Americans have fallen victim to this crime. Because medical identity theft can result in serious harm all consumers need to be aware of what it is and how to protect themselves.

What is medical identity theft?

Medical identity theft occurs when someone uses another person's personal information (name, birth date, insurance information, etc.) to obtain medical goods or services or uses the victim's information to make fraudulent claims for medical goods or services.

Why does medical identity theft happen?

When an identity thief steals a person's credit card or bank account information, it's easy to understand why: the thief wants money or things that money can buy. These same reasons also apply to medical identity theft. Sometimes, medical ID thieves want to obtain medical services but don't have the means to pay for them so they find someone else's insurance information and pretend to be him or her. In other cases, the medical identity thief wants money and by pretending to be someone else, he can alter patient records and submit false claims to medical insurers for payment.

Who commits medical identity theft?

It depends upon the reason the crime is being committed. Persons who need or want medical treatment or prescription drugs that they can't afford or don't want to pay for will commit medical ID theft in order to get the treatment or drugs. When money is the objective, medical ID theft is often committed by organized crime. Since altering patient records is typically a key component of medical identity theft, it is often committed by or with the assistance of a medical insider, such as a doctor, nurse, billing and insurance clerk or others who have access to patient records.

What harm does medical identity theft cause?

- **Financial Harm** - Like other forms of identity theft, medical identity theft can cause significant financial harm to its victims. Given the high cost of medical goods and services, an operation performed on one person pretending to be another person can easily cost tens of thousands of dollars. According to The World Privacy Forum Report, a Colorado man whose social security number was stolen was billed \$44,000 for surgery he never had. Since the victim didn't have

insurance, he had to go through a lengthy process to clear his name and credit – a process that has taken more than two years!

Even if we are not the direct victim of medical identity theft, we all pay for it in higher medical insurance premiums or higher health care costs. How much is that cost? Malcom Sparrow, a Harvard professor who has studied health care fraud stated in his 2000 book, License to Steal: How Fraud Bleeds America's Health Care System (Westview Press):

“How much gets stolen? The magnitude of the problem is measured in terms of hundreds of billions of dollars each year. How many hundreds of billions of dollars? For the time being, nobody knows for sure. If we were quite lucky, perhaps just one hundred billion. More likely two or three. Quite possibly four, and conceivably five.”

- **Human Harm** – The human harm caused by medical identity theft can literally be death or other serious medical harm. Since medical ID thieves frequently change patient medical information to perpetrate their crime, the false information may unwittingly be used by the victim's physician resulting in an erroneous diagnosis or incorrect course of treatment. Medical ID theft can also result in being denied health insurance or employment or being advised that you have reached your maximum insurance cap and there is no longer coverage for any future medical goods or services.

Can consumers correct their medical records in the event of medical ID theft?

Since falsification of medical records is so often at the heart of medical identity theft, full recovery for the medical ID theft victim should include correction of his or her medical record. This is more easily said than done. The federal Health Insurance Portability and Accountability Act (HIPPA) does provide a limited right for patients to seek amendment of their medical records to correct false information. However, that right does not apply in all cases and getting one's medical record corrected can be a very time-consuming and frustrating process.

What can consumers do about medical identity theft?

- Request a listing of all payments your medical insurer made each year. If you find payments that don't make sense, check them out with your medical provider.
- If you do not have medical insurance, check your bills for any strange charges.
- Obtain a copy of your medical records and review them carefully to make sure you actually received the services listed and that the information about you is accurate. Before doing this, check with your medical provider about the cost of getting a copy of your records. Unfortunately, it can be pricey.
- Request an accounting of all persons to whom your medical provider disclosed any information about you. HIPPA requires health care providers to give you an accounting which includes what information was disclosed, to whom it was disclosed, when it was disclosed and why. The accounting need not include disclosures made for purposes of treatment, payment or some other purposes, so its usefulness is somewhat limited, but it could provide valuable information if you suspect you are the victim of medical identity theft.

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- If you find incorrect information in your record, work to get it corrected. While this can be a difficult process, it is certainly worth the effort. Remember that even though you correct your medical record held by your health care provider, your insurer and others, like laboratories, may also have the same erroneous information and you need to correct those, too.

Where can I find additional information about medical identity theft?

If you are interested in learning more about medical identity theft or suspect you are the victim of medical id theft, the following resources can be helpful:

- Health Privacy Project at www.healthprivacy.org
- World Privacy Forum at www.worldprivacyforum.org
- If you suspect you are the victim of Medicare/Medicaid fraud, call 1-800-HHS-TIPS (1-800-447-8477)

You can also file an identity theft complaint with the Wisconsin Office of Privacy Protection by calling 1-800-422-7128 or emailing DATCPWisconsinPrivacy@Wisconsin.gov. An identity theft complaint form is also available on our website, www.privacy.wi.gov.