

UPGRADE THE CARD

Upgrading the Medicare Card will save Taxpayers over \$30 Billion per Year

According to the Department of Justice, the Medicare system is plagued with over \$60 billion dollars a year in fraud. We can cut over half of that – upwards of \$30 billion – by simply modernizing the Medicare card.

Fraud, waste, and abuse are running rampant through the Medicare system, occurring in a number of different ways:

- Phantom billing is where unscrupulous medical provider bills Medicare for unnecessary or unperformed procedures, medical tests, or equipment (or for equipment that is billed as new but is, in fact, used).
- Durable medical equipment abuse can happen when medical equipment used in the home, like wheelchairs or oxygen tents, are billed many times over, while in fact nothing has been delivered to an actual patient.
- Processing errors and mistakes account, in many cases, for improper payment. These payments either should not have been made or were made in an incorrect amount. Improper payments also include payments sent to the wrong recipient or payments where supporting documentation is not available.
- Fraudulent patient billing can occur where a patient provides his or her Medicare number to a provider in exchange for kickbacks. The provider bills Medicare for any reason and the patient is told to admit that he or she indeed received the medical treatment.
- Passed-off or stolen Medicare cards are used by others to get medical care.

Medicare provides services to more than 48 million American seniors, and suffers fraud costs of over \$60 billion a year. **That amounts to \$1250 of fraud per recipient per year.**

So how do we cut the cost of fraud?

If we give every Medicare recipient a modernized, upgraded Medicare card, the full deployment cost would only be \$19 per person. An upgraded Medicare card will enable the Centers for Medicare and Medicaid Services (CMS) to authenticate and verify that the providers and recipients are who they say they are, and that they've received the services and equipment that they say they have.

A number of countries have already implemented upgraded benefits cards, each realizing significant fraud and waste reduction upwards of 75%. In Medicare's case, if we conservatively assume a fraud reduction of 50 percent (well below expert projections), **for a \$19 dollar investment, the upgraded Medicare card will return \$625 back to American taxpayers, a 3300% return on investment.**

By replacing every recipient and provider Medicare card with an upgraded card, **taxpayers will save over \$30 billion every year.** If we keep doing what we're doing now – that is nothing – the projected cost of Medicare fraud will rise to over \$104 billion a year by 2030. It makes sense to upgrade the Medicare card, right now.

To find out more about smart cards and their uses in identity management, cybersecurity, healthcare, financial services, and entertainment, visit www.SecureIDCoalition.org.