

Be aware of COVID-19 lab testing scams for Medicare-age patients

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Since the onset of the coronavirus pandemic, federal investigators have been specifically looking for COVID-19 lab testing schemes that target Medicare patients. In October 2020, the U.S. Department of Health and Human Services (HHS) Office of Inspector General announced that it had been investigating trends in Medicare claims data that could indicate patterns of fraud in the billing for COVID-19 clinical laboratory tests.¹

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Starting as early as March 2020, fraudulent actors offering fake SARS-CoV-2 tests have preyed on vulnerable Americans in a wide variety of ways. Some scam operators have gone into nursing homes and long-term care facilities to collect cash from unsuspecting seniors in exchange for swab collections and phony testing.²

Waivers paved the way for illegitimate testing

Since the declaration of the public health emergency in the U.S., CMS no longer requires a lab test requisition signed by a treating physician or other provider for COVID-19 testing. “The strong demand for and limited supply of SARS-CoV-2 tests, along with the move by CMS to relax rules for certain test orders during the pandemic, makes the situation a potentially ripe one for fraud,” stated Modern Healthcare.³ What’s more, a lack of clarity about the medical necessity of COVID-19 tests could raise

the liability risk for law-abiding clinical laboratories. All of these factors make COVID-19 testing fraud a potential bombshell for clinical laboratories conducting coronavirus testing that may get caught up in federal investigations.

The FBI, the Better Business Bureau, the FDA, HHS, and other federal and local authorities have frequently warned physicians, hospitals, and healthcare consumers about the potential for fraud by unscrupulous companies purporting to offer legitimate lab testing for COVID-19. According to the FBI, “Scammers are marketing fraudulent and/or unapproved COVID-19 antibody tests, potentially providing false results.”⁴ Some of the fraudsters have operated online and through social media and email, while others have conducted these scams in person or over the phone. Despite the warnings, however, the scams have continued to spread.

In many instances, the FBI reports, fraudsters seek to collect consumers’ personal information—names, dates of birth, and Social Security numbers, as well as other forms of personal health information, such as Medicare or private health insurance data. Scammers can then use that information in medical insurance fraud schemes or to commit identity theft.^{4,5}

An additional cause for concern: Any fake or inaccurate COVID-19 tests or assays that the FDA has not allowed for use could provide physicians with false results, potentially creating a dangerous situation for patients.

Help us detect and prevent fraud, waste, and abuse (FWA)

The Blue Cross[®] Blue Shield[®] of Arizona (BCBSAZ) anti-fraud team includes trained auditors, investigators, and other experienced professionals who monitor millions of claims for patterns of suspicious billing activity, and carefully review allegations of suspected fraud and abuse. We also work closely with local, state, and federal law enforcement agencies and organizations to identify and eradicate fraud in our communities.

If you suspect healthcare FWA activity that may affect you, your patients, BCBSAZ, or our members, please report the matter immediately:

- **Call the BCBSAZ Special Investigations Unit’s confidential hotline 24/7 at 602-864-4875** or toll-free at **1-800-232-2345, ext. 4875**. You can remain anonymous.
- **Visit our online page at azblue.com/fraud**, scroll down to Confidential Reporting Options, and select Online Reporting Tool.

Report suspected Medicare healthcare fraud to CMS at 1-800-MEDICARE (1-800-633-4227) (TTY: 877-486-2048) 24 hours a day, seven days a week, or call the HHS Office of Inspector General at 1-800-447-8477 (TTY: 800-377-4950).

¹ Source: [Modern Healthcare](#), “HHS takes aim at healthcare fraud” (October 11, 2020)

² Source: [The New York Times](#), “Bogus Vaccines. Fake Testing Sites. Virus Frauds Are Flourishing” (April 18, 2020)

³ Source: [Modern Healthcare/Clinical](#), “HHS takes aim at COVID-19 testing fraud” (July 16, 2020)

⁴ Source: [FBI](#), “FBI Warns of Potential Fraud in Antibody Testing for COVID-19” (June 26, 2020)

⁵ Source: [The New York Times](#), “F.B.I. Warns of Fraudulent Coronavirus Antibody Tests” (June 29, 2020)
