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SMP Senior Medicare Patrol
Preventing Medicare Fraud

Frequently Asked Questions Facing Medicare Beneficiaries About Fighting Medicare Fraud, Waste, and Abuse

By Charles Clarkson, Project Director of the Senior Medicare Patrol of NJ

Medicare fraud, waste, and abuse cost taxpayers billions of dollars each year and can put patients at risk. While these terms are often grouped together, they have different meanings. Fraud involves intentional deception for financial gain. Waste refers to overusing services or using resources inefficiently. Abuse happens when healthcare providers or patients act in ways that are inconsistent with accepted medical or business practices, even if there was no intent to deceive.

Understanding how to recognize these problems is important for anyone who uses Medicare, their caregivers, and anyone who works in healthcare. Learning the warning signs can help protect personal information, reduce unnecessary healthcare costs, and make sure Medicare funds remain available for those who truly need them.

What Medicare Fraud Looks Like

Medicare fraud can take many forms. One common example is billing Medicare for services or equipment never provided. A dishonest provider may submit claims for medical tests, doctor visits, or procedures that did not happen. In some cases, providers may charge for a more expensive service than the one actually provided, which is known as “upcoding.”

Another type of fraud involves stolen Medicare numbers. Criminals may contact Medicare beneficiaries pretending to be government representatives, insurance agents, or medical providers. They may ask for personal information, Medicare numbers, or banking details. Once they have this information, they can use it to submit false claims.

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Fraud can also involve unnecessary medical services. For example, a provider may order expensive tests or treatments that are not medically necessary simply to increase billing. Some scammers target older adults by offering "free" medical equipment, genetic testing, or health screenings, only to bill Medicare for those items later.

Julie Marte
Associate State Director-Multicultural Outreach, AARP New Jersey

Kelly Ott
State Health Insurance Assistance Program

Cathy Rowe
Executive Director, NJ Advocates for Aging Well

Jean Stone
Former Program Integrity Senior Specialist, Division of Stakeholder Engagement & Outreach, CPI Data Sharing & Partnership Group

Ken Wessel
Trustee, National Institute for Homecare Accreditation (NIHCA)

Warning Signs To Watch For

Medicare beneficiaries should review their Medicare Summary Notices or Explanation of Benefits statements carefully. These documents list the services and supplies billed to Medicare or the Medicare Advantage plan If a beneficiary notices charges for services they did not receive, duplicate charges, or unfamiliar providers, it may be a sign of fraud and should be reported.

Keeping track of appointments, treatments, and prescriptions can make it easier to spot suspicious activity. Beneficiaries should keep a calendar of appointments and compare their calendars with their statements to help spot Medicare fraud. The Senior Medicare Patrol of NJ will be happy to mail a beneficiary a My Health Care Tracker to assist a beneficiary to record all Medicare information.

How To Prevent Medicare Fraud

Protecting Medicare information is one of the best ways to prevent fraud. Beneficiaries should treat their Medicare cards like credit cards and share the numbers only with trusted healthcare providers. They should never give personal information to unsolicited callers, door-to-door salespeople, or online contacts. Also, Medicare, Social Security, and the IRS never call people out of the blue. If you are a Medicare beneficiary with caller ID and receive a call but do not recognize the number**, do not pick up the call.** Let your answering machine take the message. When you listen to the messages later, you can decide whether the call seems legitimate. If the message leaves a telephone number to return the call, always look up the number of the caller, and use that number to return the call.

It is also important to ask questions about medical services and bills. Patients should make sure they understand why a test, treatment, or piece of equipment is being recommended. If something does not seem right, they should seek a second opinion.

Reporting Suspected Fraud

Anyone who suspects Medicare fraud, waste, or abuse should report it. Concerns can be reported directly Medicare, the Office of Inspector General, or your local Senior Medicare Patrol program. The Senior Medicare Patrol program is a national program whose mission is to Prevent, Detect, and Report Medicare fraud, waste, and abuse. Reporting suspicious activity can help stop scams before they affect more people. In NJ, call the Senior Medicare Patrol of NJ at 732-777-1940 or visit the website at www.seniormedicarepatrolnj.org. Need to locate the Senior Medicare Patrol in your state? Visit SMP Resource Center at www.smpresource.org.

When reporting a concern, it is helpful to provide as much information as possible, including the name of the provider, the date of the service, the type of service involved, and copies of any bills or notices.

Conclusion

Medicare fraud, waste, and abuse are serious problems that affect patients, providers, and taxpayers. By staying informed, protecting personal information, reviewing billing statements, and reporting suspicious activity, Medicare beneficiaries can help reduce these problems. Every effort to spot and stop fraud helps protect Medicare resources and ensures that healthcare funds are used responsibly and that Medicare will remain strong for generations to come.

Frequently Asked Questions Facing Medicare Beneficiaries

By Charles Clarkson, Project Director, Senior Medicare Patrol of NJ

I have been the Project Director of the Senior Medicare Patrol of NJ for over 20 years. In this position, I have learned that Medicare can be a major headache for those seeking to enroll. Medicare is complicated and seems to be getting more so every year. So, I have tried to set forth the basics so that Medicare becomes clearer.

Medicare is an essential health insurance program for millions of Americans age 65 and older, as well as certain younger individuals with disabilities. While Medicare provides valuable health coverage, many beneficiaries have questions about enrollment, costs, coverage options, and prescription drug benefits. Understanding the basics can help individuals make informed decisions and avoid costly mistakes. The following are some of the most frequently asked questions facing Medicare beneficiaries today.

1. What Is Medicare?

Medicare is a federal health insurance program primarily for individuals aged 65 and older. It also covers certain younger people with disabilities and individuals with End-Stage Renal Disease (ESRD) or Amyotrophic Lateral Sclerosis (ALS).

Medicare is divided into several parts:

- **Part A (Hospital Insurance):** Covers inpatient hospital stays, skilled nursing facility care, hospice, and some home health services.
- **Part B (Medical Insurance):** Covers doctor visits, outpatient care, preventive services, and medical equipment.
- **Part C (Medicare Advantage):** Offered by private insurance companies and combines Parts A and B, often including additional benefits.
- **Part D (Prescription Drug Coverage):** Offered by private insurance companies and helps pay for prescription medications.

Understanding these parts is the foundation for making the right coverage decisions.

2. How Do I Enroll in Medicare?

Enroll in Medicare primarily through the Social Security Administration during your seven-month Initial Enrollment Period (starting three months before your 65th birthday, including the month of your 65th birthday, and going through the three months after your 65th birthday.) You can complete your application by phone (1-800-772-1213), in person at a local Social Security office, or online at SSA.gov. It is better to enroll in Medicare in the three months before turning 65 so your coverage becomes effective the month you turn 65.

Depending on your situation, choose the best enrollment path:

- **Automatic Enrollment:** If you already receive Social Security or Railroad Retirement Board benefits, you are automatically enrolled in Parts A and B starting the month you turn 65.
- **Apply Online:** If you are turning 65 and not yet collecting Social Security benefits, apply online at SSA.gov.
- **If You Are Still Working:** You can enroll in Medicare without taking Social Security benefits. If you have creditable employer coverage, you may qualify for a Special Enrollment Period to sign up later without penalty.

Failure to enroll on time may result in:

- Delayed coverage
- Lifetime late enrollment penalties
- Higher monthly premiums.

To repeat: Individuals who continue working and have employer-sponsored health insurance may qualify for a Special Enrollment Period, allowing them to enroll later without penalties.

3. What Is the Difference Between Original Medicare and Medicare Advantage?

One of the most common decisions beneficiaries face is choosing between Original Medicare and a Medicare Advantage plan.

Original Medicare is a federally run program where you pay set deductibles and 20% coinsurance. It has no network restrictions and no maximum out-of-pocket limit, meaning you likely need to purchase separate **Medigap** and **Part D** plans. It includes Part A and Part B. To emphasize, it:

- Allows beneficiaries to see any provider who accepts Medicare
- Typically requires a separate Part D prescription drug plan
- May require a Medicare Supplement (Medigap) policy to help cover out-of-pocket costs.

Medicare Advantage is offered by private insurance companies. It:

- Often includes prescription drug coverage
- May provide additional benefits such as vision, dental, and hearing coverage, fitness programs, and transportation services
- Usually operates with provider networks
- May require prior authorization for certain services.

The best choice depends on an individual's healthcare needs, budget, and provider preferences.

4. How Much Does Medicare Cost?

Many beneficiaries mistakenly believe Medicare is free. Most people qualify for premium-free Part A if they have worked for 10 years at a job that has Medicare withholdings, but high-income people may not. Other costs also may apply, including:

- Monthly Part B premiums
- Deductibles
- Copayments
- Coinsurance
- Prescription drug costs.

Beneficiaries should budget for both premiums and out-of-pocket expenses when evaluating their healthcare options.

5. Does Medicare Cover Prescription Drugs?

Original Medicare generally does not provide comprehensive outpatient prescription drug coverage. Beneficiaries typically obtain drug coverage through:

- A standalone Medicare Part D plan or
- A Medicare Advantage plan that includes drug coverage.

When comparing plans, beneficiaries should review:

- Covered medications (formularies)
- Pharmacy networks
- Monthly premiums
- Annual deductibles.

Choosing a plan that covers current medications can significantly reduce healthcare costs.

6. What Is Medigap Insurance?

Medigap, also known as Medicare Supplement Insurance, helps pay costs not fully covered by Original Medicare, including:

- Copayments
- Coinsurance
- Deductibles.

Medigap policies are sold by private insurance companies and are standardized in most states by letter A to N. (But not all letters are used.) Beneficiaries with Original Medicare often purchase a Medigap plan to reduce unexpected medical expenses.

It is important to note that Medigap policies cannot be used with Medicare Advantage plans.

7. Are Preventive Services Covered?

Yes. Medicare covers many preventive services designed to detect health conditions early and promote wellness. Covered services may include:

- Annual wellness visits
- Screening mammograms
- Colon cancer screenings
- Diabetes screenings
- Cardiovascular screenings
- Vaccinations.

Taking advantage of preventive services can help beneficiaries maintain their health and potentially reduce future medical costs.

8. Can I Change My Medicare Coverage?

Yes. Medicare beneficiaries have opportunities to change their coverage during designated enrollment periods.

Annual Enrollment Period (AEP)

October 15 through December 7 each year:

- Switch Medicare Advantage plans
- Join or change Part D plans
- Return to Original Medicare.

Medicare Advantage Open Enrollment Period

January 1 through March 31:

- Switch Medicare Advantage plans
- Return to Original Medicare and enroll in a Part D plan.

Reviewing coverage annually is important since plan benefits, premiums, and provider networks can change from year to year.

Words of caution: If you switch from Medicare Advantage back to Original Medicare and obtain a Medicare Supplement (Medigap) plan, you must first drop your Advantage plan during a valid enrollment window. Because Medigap policies generally require medical underwriting, your ability to buy a plan without being denied depends on **guaranteed-issue rights** or "trial rights."

When Can You Switch Back to Original Medicare?

You can drop your Medicare Advantage plan only during specific times of the year:

- **Medicare Advantage Open Enrollment Period (Jan. 1 – March 31):** You can drop your Advantage plan and return to Original Medicare.
- **Medicare Annual Enrollment Period (Oct. 15 – Dec. 7):** You can change plans, drop your Medicare Advantage plan, and return to Original Medicare.
- **Special Enrollment Period (SEP):** You may qualify if you move out of your plan's service area, you lose employer coverage, or your plan leaves the Medicare program.

Can You Get a Medigap Plan?

Getting a Medicare Supplement largely depends on whether you have a **guaranteed-issue right** (meaning the insurance company *must* sell you a policy and cannot deny you coverage based on pre-existing conditions). Guaranteed-issue rights apply in the following situations:

- **Trial Rights (First Time in Advantage):** If you joined a Medicare Advantage plan when you first became eligible for Medicare at age 65, and you want to leave the plan and switch to Original Medicare within the first **12 months**, you have a guaranteed-issue right to buy *any* Medigap policy sold in your state.
- **Trial Rights (Had Prior Medigap):** If you dropped a Medigap policy to join a Medicare Advantage plan for the first time and decide to leave within **12 months**, you have the right to get your old Medigap policy back (if the company still sells it).
- **Moving or Loss of Coverage:** If you move out of the plan's coverage area, or if your Medicare Advantage plan cancels its contract, you automatically qualify for a guaranteed-issue right to buy a Medigap policy.

What Happens If You Don't Have a Trial Right or Guaranteed-Issue?

If you have been enrolled in a Medicare Advantage plan for longer than 12 months (or do not qualify for a Special Enrollment Period), **you do not have a guaranteed-issue right** to obtain a Medigap plan in most states. In this case:

- You will have to go through **medical underwriting**.
- The insurance company can review your medical history.
- It can deny your application or charge you significantly higher premiums based on pre-existing conditions.

9. What Happens If My Doctor Does Not Accept Medicare?

Most healthcare providers accept Medicare, but not all do. Before scheduling care, beneficiaries should verify whether a provider:

- Accepts Medicare assignment
- Participates in their Medicare Advantage network
- Accepts new Medicare patients.

Using providers who participate in Medicare can help minimize out-of-pocket costs.

10. Where Can Beneficiaries Get Help?

Medicare can be complex, but several resources are available:

- Medicare.gov

- 1-800-MEDICARE
- State Health Insurance Assistance Programs (SHIPs). In NJ, 1-800-792-8820.
- Local Area Agencies on Aging.

These resources provide education and personalized assistance at little or no cost.

Conclusion

Navigating Medicare can seem overwhelming, especially when beneficiaries are faced with numerous plan choices, enrollment deadlines, and healthcare costs. Understanding the differences between Medicare Parts A, B, C, and D, knowing when to enroll, and reviewing coverage annually can help beneficiaries make informed decisions. By staying educated and seeking assistance when needed, Medicare beneficiaries can maximize their healthcare benefits and gain greater peace of mind regarding their medical coverage.

JFS Middlesex

Jewish Family Services of Middlesex County is the designated agency for **New Jersey's Senior Medicare Patrol (SMP).** This national program educates Medicare and Medicaid beneficiaries about preventing, detecting and reporting health care fraud.

The project Director, our *"Medicare Maven"*, Charles Clarkson, Esq., is the person to contact if you have any questions or you feel that in some way you have not been charged fairly for services.

FRAUD DEFENSE OPERATIONS CENTER | **CMS.GOV/FRAUD**

Fast Facts

Crushing Fraud through the Fraud War Room

CMS is on the offensive and fraudsters are on notice. In March 2025, CMS launched the Fraud Defense Operations Center (FDOC), better known as the **Fraud War Room**. In its first year, the War Room has become one of the most powerful weapons in the fight against fraud, waste, and abuse in Medicare history, **stopping billions of dollars from reaching bad actors**.

The War Room is a cross-functional strike force uniting elite data analysts, investigators, health policy experts,legal advisors, and law enforcement under one roof with a single mission: **stop fraud before taxpayers lose a single dollar**. By harnessing rigorous, data-driven intelligence, the FDOC detects threats in real time, coordinates rapid intervention, and shuts down inappropriate billing before it ever hits Medicare's books.

Fraud Detected. Payments Blocked. Taxpayers Protected.

In its first year, FDOC efforts resulted in over $2.1 billion in payments suspended*

Suspended payment to 453 providers due to suspected fraud

This included over **$1.9 billion** for suspect **durable medical equipment** billing

This included over **$106 million** to suspect providers billing for **skin substitutes**

This included over **$87 million to suspect laboratories**

This included over **$17 million** to suspect **hospice providers**

Examples of egregious behavior caught by the FDOC

FDOC identified a **Hospice agency** in Los Angeles County, CA that had withheld claims during an enhanced oversight review. Shortly following the review, the hospice submitted claims for beneficiaries who **did not consent to elect hospice services**. Swift payment suspension immediately stopped **$1 million** in payments to the suspect provider.

A false front **Durable Medical Equipment supplier** submitted over $24 million of fraudulent orthotic claims in one day. Just two days later, the FDOC caught the supplier, implementing a payment suspension that has stopped **$86 million in payments** to date.

The supplier was quickly placed on prepayment review, which will further protect beneficiaries through prevention of supplemental payer liabilities like Medigap.

*Numbers encompass March 31, 2025 —March 31, 2026, and are therefore subject to change.

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New Jersey SMP Empowering Seniors To Prevent Healthcare Fraud Senior Medicare Patrol

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES

How Can Your Senior Medicare Patrol (SMP)Help?

Your local SMP is ready to provide you with the information you need to **PROTECT** yourself from Medicare fraud, errors, and abuse; **DETECT** potential fraud, errors, and abuse; and **REPORT** your concerns. SMPs and their trained teams help educate and empower Medicare beneficiaries in the fight against health care fraud. Your SMP can help you with your questions, concerns, or complaints about potential fraud and abuse issues. It also can provide information and educational presentations.

To locate your local Senior Medicare Patrol (SMP), visit:
www.smpresource.org or call 1-877-808-2468.

www.smpresource.org info@smpresource.org 1-877-808-2468

STAY CONNECTED

The Senior Medicare Patrol of New Jersey has a website. You can reach our site at:

http://seniormedicarepatrolnj.org/

 Forward this to a friend

 Friend us on Facebook

 Follow us on X

#MedicareMaven
@clarkson71304

Serve your community; learn about Medicare by volunteering for the New Jersey Senior Medicare Patrol

SMP of New Jersey is currently recruiting Volunteers to speak to small groups of their peers and help provide Medicare education at community events.

The role of the Volunteer is to share information that can help others PREVENT, DETECT, and REPORT Medicare fraud, waste, and abuse.

Free Training Available

SMP - Empowering Seniors to Prevent Medicare Fraud

Senior Medicare Patrol of New Jersey
Charles Clarkson, Esq.
SMP-NJ Project Director
Ext. 1117
Email: Charlesc@jfsmiddlesex.org
Twitter: #MedicareMaven; @clarkson71304
Joel Schneider

Outreach Specialist
Email: Joels@jfsmiddlesex.org
Ext. 1154

Valeria Escudero
Outreach Specialist (Spanish)
Email: Vale@jfsmiddlesex.org
Ext. 1140

Edward Campell
Coordinator of Complex Interactions
Ext. 1152
Email: Ed@jfsmiddlesex.org

Molly J. Liskow
Editor, SMP New Jersey Advocate
Email: SMP@jfsmiddlesex.org

Senior Medicare Patrol (SMP) New Jersey is a program of:
Jewish Family Services of Middlesex County
219C Blackhorse Lane
North Brunswick, NJ 08902
Tel. 732-777-1940
Fax 732-777-1889
or call our toll-free SMP Helpline at
877-SMP-4359 (877-767-4359)

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