

MEDICARE CONSUMER ALERT

FOR IMMEDIATE RELEASE

CMS Media Affairs

March 7, 2006

Medicare Beneficiaries Urged to be on the Look-out for Phone Scams

The Centers for Medicare & Medicaid Services (CMS) warns seniors and people with disabilities to be aware of a scheme that asks Medicare beneficiaries for money and checking account information to help them enroll in a Medicare Prescription Drug Plan.

This scheme is called the “\$299 Ring” for the typical amount of money Medicare beneficiaries are talked into withdrawing from their checking accounts to pay for a non-existent prescription drug plan. Consumers can report these cases to their local law enforcement agencies or 1-877-7SAFERX (1-877-772-3379).

Medicare has received complaints from Indiana, Michigan, Pennsylvania, Massachusetts, New Jersey and Georgia. Complaints have been made against a number of different companies, but authorities believe that the companies are the same and are typically based outside the U. S. As soon as CMS receives these complaints, they are investigated and referred to federal law enforcement authorities.

No Medicare drug plan can ask a person with Medicare for bank account or other personal information over the telephone. No beneficiary should ever provide that kind of information to a caller. They should contact their local police department if they believe someone is trying to take money or information from them illegally.

People with Medicare should also remember that they should be on the lookout for anyone trying to take advantage of them and take steps to protect themselves by remembering:

- No one can come into your home uninvited.

- No one can ask you for personal information during their marketing activities.

- Always keep all personal information, such as your Medicare number, safe, just as you would a credit card or a bank account number.

- Whenever you have a question or concern about any activity regarding Medicare, call 1-800-MEDICARE.

In addition, legitimate Medicare drug plans will not ask for payment over the telephone or the Internet. They must bill the beneficiary for the monthly premium. Typically, that amount is set up as an automatic withdrawal from the beneficiary’s monthly Social Security check. Beneficiaries may also opt to pay the monthly premiums in other ways such as writing a check or setting up automatic payments from their checking accounts.