

Health Costs / *By Tara Siegel Bernard*

Avoid Medical ID Theft

Sitting in your doctor's examining room, you glance at your chart and see lengthy notes about a condition you know you don't suffer from. Or perhaps you receive a bill, for thousands of dollars, for surgery you never had.

Welcome to the world of medical identity theft—in which your name and information such as your Social Security number and insurance coverage are used to obtain medical services or goods and, in some cases, money, by filing bogus claims.

This form of thievery is on the rise, and it may be harmful to your health as well as your finances. If your medical records reflect another patient's ills, you could be incorrectly treated. Other victims have been denied insurance coverage altogether.

Moreover, medical ID theft can take years to detect because, unlike with financial identity theft, these fraudsters don't necessarily run up credit-card bills or commit other acts that quickly show up on your credit report, according to the World Privacy Forum, a San Diego-based research group that focuses on privacy issues.

The major credit-reporting firms serve as central repositories that can clue you in if someone has opened new credit accounts in your name. But "with medical files, there is nothing like that," says Pam Dixon, executive director at the World Privacy Forum and author of the report.

Anatomy of a Fraud

In many cases, medical ID thieves use your information to get medical treatment they need; they may change your billing address and phone number so you don't see the bills.

In an even more insidious scenario, organized crime rings will use the stolen IDs to obtain drugs—like painkillers—and then sell them on the street. In another case, a psychiatrist entered false diagnoses on the charts of individuals who weren't his patients and used their information to submit bills to an insurance company.

The World Privacy Forum estimates at least a quarter to a half million people have been victim-

ized over the past decade, though officials there believe the figure is actually much higher.

There are several red flags to watch for: Have you received a collection notice in the mail for medical services you didn't receive? Did you receive someone else's bill? Have you been denied insurance coverage, or been notified that you've reached your lifetime cap?

Are there irregularities on your "explanation of benefits" notices? Even if you don't owe any money, watch out for reports of services you didn't receive.

"That's when you have to call your insurer's anti-fraud hotline or customer service. Sometimes it's a clerical error...but, in a lot of cases, it's fraud," says Byron Hollis, anti-fraud director for the Blue Cross Blue Shield Association, a trade group for 38 health plans.

There are other steps you can take to protect yourself. Once a year, request a listing of benefits paid by your health insurer in your name. And keep your insurance card as safe as your credit cards.

If You've Been Hit

Brace for hassles if you're a victim. You'll need to ask medical providers to let you inspect your files, which you are legally entitled to do. But some may initially refuse because you aren't the person they recognize as the patient who got services in your name.

To try to discern where the fraud occurred, and where else those records were circulated, request that your providers and insurer provide an "accounting of disclosures." This is a record of what health information was disclosed, to whom, when, and why.

Next, work with the providers and insurance company to amend your records. And be sure labs, pharmacies and other providers correct their records, too. For more on the problem and how to respond, see the World Privacy Forum Web site (worldprivacyforum.org).

"Encore" will be back next week. To comment on today's "Health Costs" column, you may send an email to: forum.sunday03@wsj.com