

Nationwide Brace Scam

Scammers are contacting Medicare beneficiaries to offer “free or low-cost” orthotic braces. These fraudsters bill Medicare for medically unnecessary equipment using beneficiaries’ information. All beneficiaries across the country are potential targets in this scheme.

The Alleged Scheme and Key Players

1. **Conspirators:** they own a call center that airs television and radio advertisements for orthotic braces paid for by Medicare. Telemarketers call beneficiaries directly to offer “free or low-cost” orthotic braces. They are the masterminds of this scheme.
2. **Call Center:** the call center confirms that the beneficiaries are on Medicare and transfers beneficiaries to a telemedicine firm for a doctor’s consultation. The call center pays the telemedicine firm and its doctor for the prescriptions.
3. **Doctor & Telemedicine Company:** regardless of medical necessity, the doctor prescribes an orthotic brace. The telemedicine company submits the brace prescription to the call center. The telemedicine company and doctor generate prescriptions to keep this scheme running, not because the beneficiary needs the brace.
4. **Call Center:** the call center collects the prescriptions and sells them to the medical equipment company. Providers should send prescriptions to a medical equipment company because beneficiaries have medical needs for products. Prescriptions should never be sold.
5. **Medical Equipment Company:** after the medical equipment company buys the prescriptions, the medical equipment company sends the brace, or multiple braces, to beneficiaries. The company bills Medicare and pays a kickback to the conspirators. The medical equipment company receives \$500-\$900 per brace from Medicare and pays the conspirators a kickback of almost \$300 per brace.

Learn More: oig.hhs.gov/bracescam

Report Fraud: 1-800-HHS-TIPS or online at oig.hhs.gov/fraud/hotline

U.S. Department of Health and Human Services, Office of Inspector General