

## Urinary Catheter Case Study: CMS' Swift Action Saves Billions

CMS is committed to preventing fraud and protecting people with Medicare from becoming victims of fraud. We take swift actions to prevent payments from going to bad actors when we have credible allegations of fraud. While bad actors will always exist, our fraud prevention efforts are working.

### Challenge

In early 2023, CMS identified a concerning rise in urinary catheter billings attributed to a small group of 15 Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) supply companies that had recently changed ownership. Through investigative work, CMS determined that people with Medicare did not receive catheters from these DMEPOS companies and were not billed directly, physicians did not order these supplies, and the supplies were not needed.

### CMS Actions

CMS took swift action to protect people with Medicare and the Medicare program:

- Using our fraud prevention tools, CMS stopped over 99% of the payments to this small group of potential bad actors before they went out the door, preventing over \$4.2 billion in payments as of July 6, 2024.
- There was no impact to legitimate suppliers providing medically necessary services to people with Medicare.
- CMS revoked enrollment of the 15 potential bad actors from Medicare between late 2023 and 2024. This means they are no longer able to bill Medicare for services and cannot re-enroll for up to 10 years.
- CMS replaced hundreds of thousands of Medicare Beneficiary Identifiers (MBIs) that were used to file the suspicious claims. CMS changed the MBIs of the most at-risk people with Medicare and completed changing all impacted MBIs in March 2024.

### Next Steps

CMS works closely with law enforcement to investigate potentially fraudulent claims billed to Medicare. In this instance, CMS continues to provide our expertise and knowledge to law enforcement as they investigate and determine whether further actions are appropriate, including potential criminal prosecutions.

## **Partnering to Fight Fraud**

People with Medicare provided crucial information that helped us stop suspected instances of urinary catheter fraud. Calls to 1-800-MEDICARE were part of the early warnings that led us to withhold payments until we could verify whether claims for urinary catheters were legitimate.

**For people with Medicare and their families and caregivers:** Reporting Medicare fraud protects you and millions of other people with Medicare coverage. If you or someone you know has experienced Medicare fraud or suspect an offer you've received is a scam, please report it to 1-800-MEDICARE as soon as possible.

Providers affected by this issue or who have other concerns regarding fraud, waste, or abuse, should contact their assigned Medicare Administrative Contractor to report it.

To learn more, visit [Medicare.gov/fraud](https://www.medicare.gov/fraud).