DEPARTMENT OF HEALTH AND HUMAN SERVICES

OFFICE OF INSPECTOR GENERAL

Beneficiary Awareness of Medicare Fraud
A Follow-up

JANET REHNQUIST
INSPECTOR GENERAL

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OFFICE OF INSPECTOR GENERAL

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EXECUTIVE SUMMARY

PURPOSE

To assess Medicare beneficiary knowledge and awareness of Medicare fraud and the impact of the Department of Health and Human Services' outreach initiatives.

BACKGROUND

In 1998, the Office of Inspector General (OIG) surveyed Medicare beneficiaries about their knowledge and awareness of Medicare fraud. The OIG found that beneficiaries believed that Medicare fraud was common, and it was their personal responsibility to report suspected cases of Medicare fraud. Most beneficiaries said that they read their Medicare statements but had not received information on Medicare fraud. Beneficiaries said that recognizing fraud was difficult. Most were neither aware of agencies that were working to stop Medicare fraud nor were they aware of the OIG's fraud hotline.

In 1999, the OIG outreach partners launched a nationwide campaign to educate beneficiaries about Medicare fraud. The campaign set forth a three-step process for beneficiaries to follow if they suspected Medicare fraud. Beneficiaries were told that, as a first step, they should clarify unusual Medicare charges with their health care provider. If questions remained, beneficiaries were advised to contact their Medicare insurance company. If they remained dissatisfied and suspected fraud, they were told to call the OIG hotline.

Out of a random sample of 1,498, we completed surveys with 543 Medicare beneficiaries for a 36 percent response rate. We compared their responses to data in the 1998 OIG report. We also interviewed the OIG outreach partners.

FINDINGS

Beneficiary knowledge of Medicare fraud has increased since 1998. Beneficiary knowledge of Medicare fraud has increased 15 percentage points in the past 3 years.

Twenty-four percent of beneficiaries are aware of efforts to reduce fraud. Beneficiaries are aware of groups both inside and outside the federal government who are involved in efforts to reduce fraud.

Most beneficiaries are still not aware that there is a toll-free number to report Medicare fraud. In 1998, 86 percent of beneficiaries were not aware of the toll-free hotline for reporting Medicare fraud. In 2001, 85 percent of beneficiaries remain

unaware of the hotline, despite the fact that the toll-free number appears on their claim statements which most of them read.

Younger, urban beneficiaries are more likely to recall receiving information on Medicare fraud. Beneficiaries who live in rural areas and beneficiaries who are more than 75 years old reported receiving less information.

Beneficiaries who receive information are more likely to know whom to contact if they encounter Medicare fraud. Of beneficiaries who receive information on Medicare fraud, only 14 percent would not know whom to call if they encountered fraud.

Despite receiving more information on fraud, key beneficiary attitudes have not changed. Beneficiaries are still not optimistic about efforts to eliminate fraud. Almost 50 percent do not believe that Medicare fraud is easy to recognize.

Almost one-half of the beneficiaries who think they have experienced Medicare fraud reported it. As a first step, beneficiaries who suspect fraud most frequently contact their health care provider for clarification.

Most beneficiaries regularly read their claim statements. As in the 1998 survey, the vast majority of beneficiaries report that they always read their claim statements. Those with poor vision, limited English skills, and lower incomes are less likely to read their statements.

CONCLUSION

Outreach activities which are designed to educate beneficiaries about Medicare fraud are meeting most of their goals. Beneficiaries in 2001 are more knowledgeable about Medicare fraud and are significantly more likely to receive information about fraud than they were 3 years ago. Further, beneficiaries are reporting suspected fraud using an approach consistent with the three-step process outlined in the *"Who Pays? You Pay."*campaign.

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INTRODUCTION

PURPOSE

To assess Medicare beneficiary knowledge and awareness of Medicare fraud and the impact of the Department of Health and Human Services' outreach initiatives.

BACKGROUND

Addressing Medicare fraud is an important issue within the Department of Health and Human Services (HHS). Medicare is vulnerable to fraud because of the large expenditures and administrative complexity of the program. Recent legislation, HHS initiatives, and educational outreach efforts all have attempted to address and eliminate fraud.

Studies have shown that Medicare beneficiaries need more education about fraud. In a previous Office of Inspector General (OIG) report (*Beneficiary Awareness of Fraud,* OEI-12-97-00440), we found that only 23 percent of beneficiaries were knowledgeable about Medicare fraud and very few received information about it. Recent health surveys found that consumers believe that health care fraud is rampant, but they do not know how they can prevent it.[1]

This report addresses current Medicare enrollees' level of awareness of Medicare fraud and compares it to previous levels which we reported in our 1998 report. We also assessed the effects of the HHS educational outreach activities, specifically the *"Who Pays? You Pay."* campaign.

Recent Legislative Initiatives

In recent years, Congress enacted a number of laws to assist in the fight against health care fraud and abuse. The *1996 Health Insurance Portability and Accountability Act* (P. L. 104-191), also known as HIPAA, contains several provisions designed to address Medicare fraud and abuse. One provision created the Health Care Fraud and Abuse Control Program which mandates the coordination of health care law enforcement at all levels, established a dedicated stream of funding for fighting fraud and abuse, and provided for the education of the health care industry on fraudulent health care practices. Two other provisions in HIPAA are the Medicare Integrity Program and the Incentive Program for Fraud and Abuse Information. These provisions allow HHS to contract with eligible entities to promote program integrity.

[1]American Association of Retired Persons, *"America Speaks Out on Health Care Fraud,"* consumer surveys for 1996, 1998, and 2000.

The *Omnibus Consolidated Appropriations Act of 1997* (P. L. 104-208) directs the Administration on Aging to establish demonstration projects that use the skills of retired professionals to help prevent Medicare fraud and abuse. These demonstration projects, commonly referred to as Harkin Grants, fund Health Care Anti-Fraud and Abuse Community Volunteer Projects which assist with the recruitment and training of volunteers and the implementation of community education activities.

The *Balanced Budget Act of 1997* (P. L. 105-33) includes several provisions to strengthen anti-fraud and abuse efforts and to improve Medicare program integrity. Among other things, the Act requires the Health Care Financing Administration - now known as the Centers for Medicare & Medicaid Services (CMS) - to issue an annual notice to beneficiaries that:

- encourages beneficiaries to check their Medicare statements carefully for accuracy and report any errors by calling the OIG toll-free telephone number,
- informs beneficiaries of their right to request an itemized statement for Medicare items and services, and
- describes the program established under HIPAA to collect information on Medicare fraud and abuse.

Moreover, effective January 1, 1998, the *Balanced Budget Act of 1997* requires that all Medicare claim statements include the OIG toll-free telephone number for reporting information about waste, fraud, and abuse.

HHS Efforts to Address Health Care Fraud

In 1996, HHS launched a nationwide educational outreach initiative to help reduce the incidence of fraud and abuse in Medicare. This initiative evolved into a public-private partnership among five groups: the Administration on Aging, the Department of Justice, the CMS, the American Association of Retired Persons (AARP), and the OIG. Activities included conducting a nationwide outreach campaign to educate beneficiaries and others about Medicare fraud and abuse, establishing a more user-friendly OIG hotline, and increasing collaboration with other agencies and organizations involved in fighting Medicare fraud.

In February 1999, the outreach partners launched a nationwide campaign to educate, inform, and advise millions of Medicare beneficiaries about Medicare fraud and abuse. *"Who Pays? You Pay."* campaign materials set forth a three-step process for beneficiaries to follow if they suspect Medicare fraud. First, beneficiaries were told that they should clarify unusual or questionable Medicare charges with their health care provider. Second, if questions remained, the beneficiaries were directed to contact their Medicare insurance company. As a last resort, if beneficiaries were still dissatisfied and suspected fraud, they were directed to call the OIG hotline. As part of the campaign, the partners developed a televised public service announcement featuring a dripping faucet which represented Medicare money that was being lost due to fraud, waste, and abuse.

The launch of the campaign incorporated a single-day training event attended by approximately 10,000 Medicare beneficiaries nationwide. Thirty-one cities held a press conference with five interactive sites. Medicare beneficiaries convened in cinemas, AARP Regional Offices, university auditoriums, and other locations in major metropolitan areas to view a national training program to learn how to detect Medicare fraud.

AARP Studies on Health Care Fraud and Abuse

The AARP has conducted three consumer telephone surveys in the last 5 years that were designed to assess public attitudes toward health care fraud. The 1996, 1998, and 2000 consumer surveys measured Americans' understanding of and personal experiences with health care fraud and abuse. Although the majority of respondents to all surveys believed that fraud was widespread in the health care industry, the prevalence of this attitude appears to be declining. In 1996, 93 percent of respondents reported that health care fraud was either somewhat or extremely widespread. Approximately 83 percent believed this in 1998 and 78 percent in 2000.

Previous Office of Inspector General Study

In 1998, the OIG published the results of a survey of Medicare beneficiaries which assessed their knowledge and awareness of Medicare fraud. According to the survey:

- more than half of the beneficiaries believed that Medicare fraud was common;
- ninety-four percent believed that it was their personal responsibility to report suspected cases of Medicare fraud;
- seventy-four percent of beneficiaries "always" read their Medicare statements;
- most beneficiaries believed that recognizing fraud was difficult, and most have never received information on Medicare fraud; and
- most respondents were not aware of agencies working to stop Medicare fraud nor of the OIG's toll-free number.

METHODOLOGY

To achieve the objectives of our study, we compared beneficiaries' current knowledge and attitudes about Medicare fraud in 2001 to baseline data in our 1998 report. To ensure comparability with the baseline data, we duplicated, as closely as possible, the methodology used in the previous study.

We selected a simple random sample of 1,500 Medicare beneficiaries from CMS's national enrollment database, as of October 28, 2000. Two of the beneficiaries in our sample died prior to October 28, 2000, but their names had not been removed from the enrollment database. We omitted these beneficiaries from our sample, which reduced the

size to 1,498. Our sample included beneficiaries enrolled in both Medicare fee-for-service and managed care plans.[2]

We modified the telephone survey instrument used in our 1998 evaluation to eliminate questions that were not relevant to the follow-up effort, and added others about the *"Who Pays? You Pay."* campaign. We used two methods for collecting data from the beneficiaries in our study. First, we obtained telephone numbers for 59 percent of the 1,498 beneficiaries in our sample. We attempted to conduct telephone surveys with the 890 beneficiaries for whom we had telephone numbers. Secondly, some of the beneficiaries that we spoke with by telephone expressed a preference to receive the survey by mail. For those beneficiaries, as well as some others that we were unable to reach by telephone, we designed and mailed written surveys. In total, we mailed 118 surveys.

A total of 543 beneficiaries responded to our survey. We were able to complete telephone surveys with 485 respondents. Of the 118 mailed surveys, 58 were completed and returned. Of those beneficiaries for whom we obtained telephone numbers, 61 percent responded (543 out of 890). Overall, our response rate was 36 percent (543 out of 1,498). We completed data collection during March - May, 2001.

We also interviewed the campaign partners for background information.

Our review was conducted in accordance with the *Quality Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

[2]Beneficiaries who completed our survey "self-selected" the type of Medicare insurance in which they were enrolled. Survey respondents answered a few screening questions to guide them in their selection. The categories were *fee-for-service* or *managed care*. We did not distinguish among the various types of non-traditional Medicare insurance, such as Medicare+Choice or preferred provider organizations.

FINDINGS

AWARENESS OF FRAUD

Beneficiary knowledge of Medicare fraud has increased since 1998

Since 1998, beneficiary knowledge[3] of Medicare fraud has increased 15 percentage points. We found that 38 percent of beneficiaries are knowledgeable about Medicare fraud in 2001, as compared to 23 percent of beneficiaries in 1998. (See Appendix A for a comparison of baseline and other selected statistics.) Our analysis of the data shows that this increase can be attributed largely to the increase in information beneficiaries have received about Medicare fraud.

Twenty-four percent of beneficiaries are aware of efforts to reduce Medicare fraud

Approximately one-quarter of the beneficiaries who answered the question, "Are you aware of any efforts to reduce Medicare fraud?" said they were aware of some efforts to fight fraud. Beneficiaries are aware of both federal government and non-federal groups that are involved in efforts to reduce fraud. Beneficiaries mentioned the OIG, CMS, AARP, and the insurance companies that process their Medicare claims.

Informed beneficiaries and those enrolled in fee-for-service plans are more aware of efforts to reduce fraud

Medicare beneficiaries who receive information about Medicare fraud are more likely to be aware of efforts to reduce fraud. We categorized beneficiaries as having "received information" if they have attended any presentations, seen a public service announcement, heard of the *"Who Pays? You Pay."* campaign, or asked about or looked for information on Medicare fraud. Approximately 37 percent of beneficiaries who recalled receiving information about Medicare fraud were aware of efforts to reduce it. In contrast, only 16 percent of beneficiaries who did not recall receiving information were aware of efforts to reduce fraud. Informed beneficiaries are more aware of efforts to reduce Medicare fraud.

Fee-for-service beneficiaries also are more aware of efforts to reduce Medicare fraud than managed care beneficiaries. Twenty-seven percent of fee-for-service beneficiaries are aware of efforts to reduce fraud compared to 15 percent of managed care beneficiaries.

[3]In our previous report, *Beneficiary Awareness of Medicare Fraud* (OEI-12-97-00440), knowledge was defined as having received information on how to recognize Medicare fraud, asked about or looked for information about Medicare fraud, or being aware of a toll free hotline to report Medicare fraud.

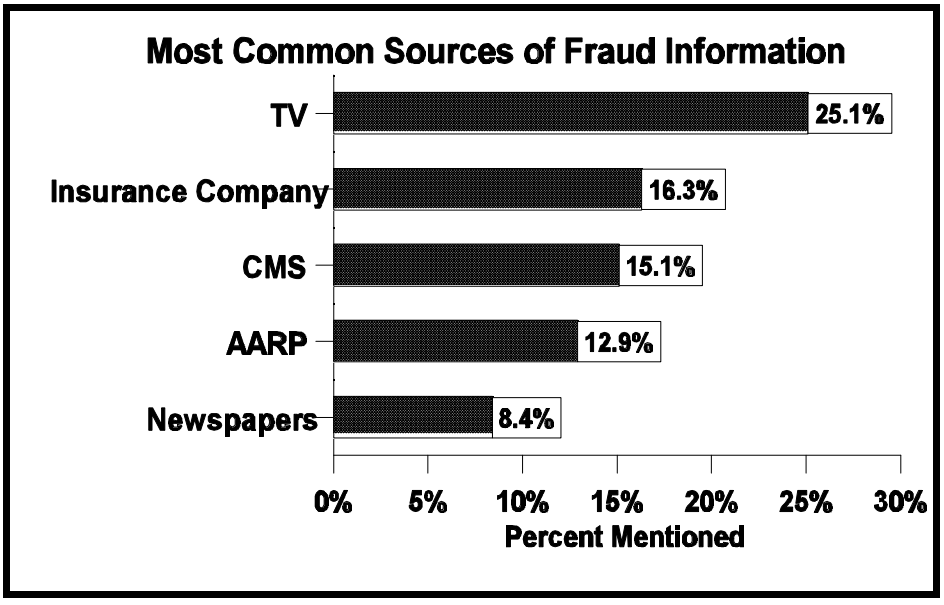
Most beneficiaries are still not aware of the toll-free hotline to report Medicare fraud

Beneficiary awareness of the toll-free fraud reporting hotline has not increased. In 1998, approximately 86 percent of beneficiaries were not aware of the toll-free hotline for reporting Medicare fraud. In 2001, 85 percent of beneficiaries remain unaware of the hotline. In 1998, Congress mandated that the OIG hotline number appear on all Medicare claim statements. According to one hotline employee, although the number of calls to the hotline has increased since 1998, the number of beneficiary complaints about fraud actually has decreased. Hotline calls increased, because the OIG hotline number is included on the claim statements. Therefore, beneficiaries call with general inquiries, not just to report fraud.

RECEIVING INFORMATION ON MEDICARE FRAUD

Beneficiaries receive information about fraud from a variety of sources

Approximately 45 percent of beneficiaries recalled receiving information about Medicare fraud. Beneficiaries mentioned receiving information from more than 15 different sources, including governmental organizations such as CMS and their Social Security office. Consumer advocacy groups, such as AARP, also were cited, as well as general media outlets, such as the radio and the Internet. One beneficiary said, "I get notices from lots of groups all the time..."



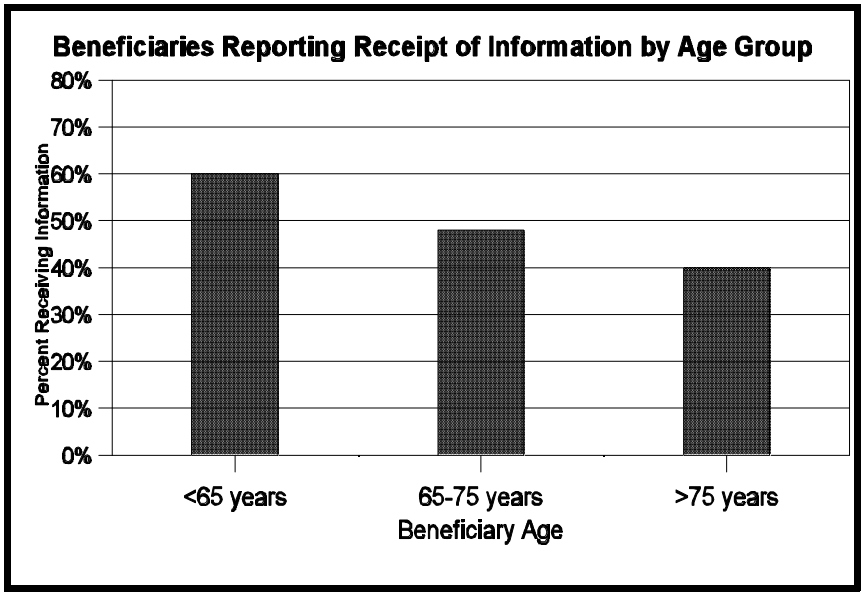
Source: Office of Evaluation and Inspections, 2001

Some beneficiaries also report receiving information about Medicare fraud from the *"Who Pays? You Pay."* campaign. Medicare beneficiaries receive campaign information through written brochures and pamphlets, the Internet, public service announcements, seniors citizens groups, and AARP.

Both Medicare beneficiaries and campaign partners report that television is a particularly effective method for providing information to beneficiaries about Medicare fraud. Of the beneficiaries who heard about the *"Who Pays? You Pay."* campaign, 54 percent mentioned the television public service announcement as the source. Similarly, more than half of the campaign partners specifically mentioned the public service announcement as particularly successful in reaching beneficiaries. According to one partner, "The 'Dripping Faucet' announcement received lots of play and was pretty effective."

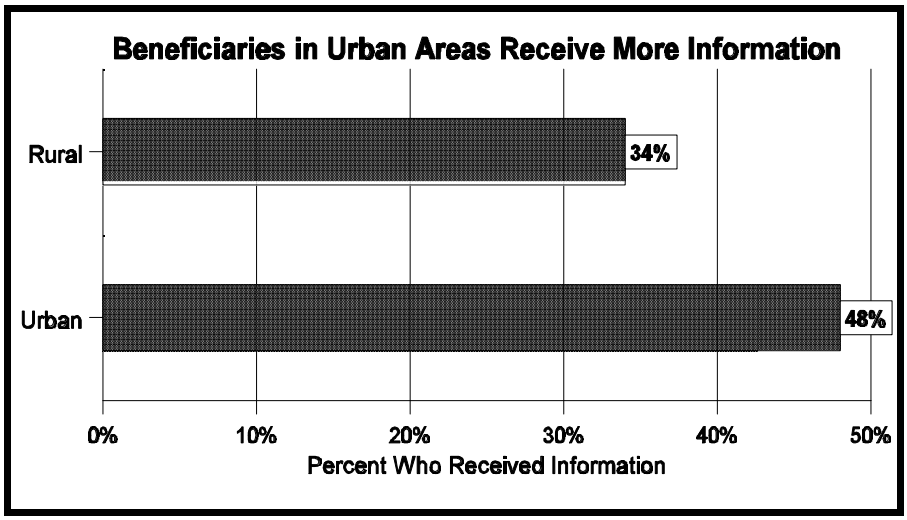
Older beneficiaries and those who live in rural areas are less likely to report receiving information concerning Medicare fraud

Older beneficiaries are significantly less likely to recall receiving information about Medicare fraud than younger beneficiaries. Sixty percent of those beneficiaries under 65 years of age report receiving information. In contrast, 48 percent of beneficiaries who are between the ages of 65 and 75 report receiving information. This figure decreases to 40 percent for beneficiaries who are more than 75 years old.



Source: Office of Evaluation and Inspections, 2001

Beneficiaries living in urban areas are more likely to recall receiving information than beneficiaries who live in rural communities. Of beneficiaries who reside in urban[4] areas, 48 percent reported receiving information on fraud. In contrast, only 34 percent of beneficiaries who live in rural[5] areas report receiving information on fraud.



Source: Office of Evaluation and Inspections, 2001

ENCOUNTERING AND REPORTING POTENTIAL FRAUD

Beneficiaries still experience potential Medicare fraud

Approximately 11 percent of Medicare beneficiaries suspect that they have encountered Medicare fraud. This proportion is smaller, though not significantly, than the 19 percent of beneficiaries who reported experiencing Medicare fraud in our 1998 survey.

Beneficiaries experience potential Medicare fraud in many forms. Approximately 6 percent of beneficiaries report that they were billed for the same services or equipment more than once, while approximately 5 percent report that they were billed for services or equipment they did not receive. Beneficiaries believe these were incidents of actual fraud and not errors resulting from honest mistakes. For example, one Medicare beneficiary stated that he continues to receive monthly bills for a hand brace made after an earlier surgery, while another beneficiary reported that he was billed for a pacemaker that he did not receive. After reviewing claim statements following a hospital discharge, one beneficiary realized that Medicare was billed for 2 extra days and medications that she did not receive. When she questioned the hospital, the response was, "You didn't have to pay."

[4] Urban is categorized as 50 percent or more of the county is urban, according to census data.

[5] Rural is categorized as 50 percent or less of the county is designated as rural by census data.

Beneficiaries also report that individuals other than their regular health care providers have offered them "free" medical equipment or services that would be billed to the Medicare program. Approximately 10 percent have been offered "free" medical services, tests, or equipment. Less than 1 percent of beneficiaries report that they actually have been sent equipment that was not ordered by their doctor.

Beneficiaries who receive information are more likely to know whom to contact if they encounter Medicare fraud

Only 14 percent of beneficiaries who recalled receiving information said they would not know whom to call if they encountered fraud. Comparatively, approximately 22 percent of beneficiaries who have not received information about fraud said they did not know whom to call if they encountered fraud in the Medicare program. Receiving information can increase beneficiary awareness of groups that might be able to help them with fraud. Some of the groups that beneficiaries report they would call include:

Medicare Fraud Contacts

Groups Mentioned	Percent Mentioned
Medicare/CMS	27.8 percent
Social Security Office	10.3 percent
Person or facility that may have committed the fraud	8.6 percent
Insurance company that processes the claims	8.4 percent
Phone number on Medicare Notice	4.2 percent
OIG Hotline	2.5 percent

Source: Office of Evaluation and Inspections, 2001

ATTITUDES AND BEHAVIORS

Despite receiving more information on fraud, key beneficiary attitudes have not changed

Beneficiaries are still not optimistic about efforts to eliminate Medicare fraud. In 1998, almost 17 percent of beneficiaries agreed with the statement, "It's not worth the time and effort for me to report and pursue suspected health care fraud." In 2001, approximately 16 percent of beneficiaries agree with that statement. As one respondent mentioned, "I don't really follow my mom's health expenses too much because she is in a nursing home. I really just let them do it and assume that she is getting what she needs. Besides, how am I going to stop fraud?"

Medicare beneficiaries still do not believe that Medicare fraud is easy to recognize. In 1998, almost 50 percent of beneficiaries did not believe that Medicare fraud is easy to recognize. Some beneficiaries mentioned that confusing Explanation of Medicare Benefits Notices and Medicare Summary Notices make it difficult for them to determine what was billed to Medicare. According to one beneficiary: "...you can't figure out what they're billing for. I have no idea what the codes are; whether they're right or wrong, you'll never know. To catch fraud, you need to know what the codes are. The public's never going to know. I have to assume the best."

Approximately half of beneficiaries who think they have encountered Medicare fraud reported it

Of those beneficiaries who think they have encountered fraud, approximately 48 percent reported the incident. Beneficiaries reported fraud in several ways. Most often, beneficiaries contacted the person or facility that submitted the Medicare claim for clarification (39 percent) or the Medicare program directly (35 percent). Beneficiaries also reported suspected fraud to the insurance company that processes their Medicare claims (13 percent) and to the Inspector General's fraud hotline (9 percent).

However, beneficiaries mentioned several reasons why they hesitate to report Medicare fraud:

- They want to be sure it is fraud.
- Their doctor might get in trouble.
- They are concerned about the repercussions that would follow if proven wrong.
- They do not want to get anyone in trouble.

Most beneficiaries regularly read their claim statements

In both 1998 and 2001, we found that most beneficiaries who receive Medicare claims statements report that they "always" read them. In 1998, approximately 74 percent of beneficiaries "always" read their claim statements. In 2001, approximately 80 percent of beneficiaries stated that they always read their claim statements. Approximately 47 percent of beneficiaries have someone else, such as a family member, friend, or professional, also read their Medicare statements.

Beneficiaries with poor vision, limited English skills, lower incomes, and who are pessimistic about fraud are less likely to read their claim statements. The frequency with which beneficiaries read their Medicare claim statements is directly associated with income, comfort with reading English, and visual ability. Eighty-two percent of beneficiaries who earn more than $10,000 per year "always" read their claim statements. In contrast, 67 percent of beneficiaries who earn less than $10,000 annually stated that they "always" read their claim statements. Sixty-six percent of beneficiaries who are less comfortable reading English report "always" reading their claim statements, whereas 82 percent of beneficiaries who read English very well report "always" reading their claim statements. Eighty-three percent of respondents who see "very well" report

"always" reading their claim statements; in contrast with 72 percent of beneficiaries who do not see as well. Finally, beneficiaries who agree with the statement "It's not worth the time and effort for me to report and pursue suspected health care fraud" are also less likely to"always" read their claim statements.

CONCLUSION

Outreach activities which are designed to educate beneficiaries about Medicare fraud are meeting most of their goals. Beneficiaries in 2001 are more knowledgeable about Medicare fraud and are significantly more likely to receive information about fraud than they were 3 years ago. Further, beneficiaries are reporting suspected fraud using an approach consistent with the three-step process outlined in the *"Who Pays? You Pay."*campaign.

Appendix

Baseline Statistics

The following table compares the point estimates and 95 percent confidence intervals for selected baseline statistics from our 1998 and 2001 surveys. To mirror the methodology used in the 1998 report, in calculating the 2001 baseline statistics, we limited our analysis to include those beneficiaries who submitted at least one claim to a Medicare Part B carrier during 2000. Additionally, we excluded those beneficiaries who were enrolled in managed care during 2000. (n = 271).

Baseline Statistic	1998 Survey Results		2001 Survey Results		Results of t Test	
	Point Estimate	95 % confidence interval	Point Estimate	95% confidence interval	Significant at 95%?	P value
Percent of Medicare beneficiaries who always read their claim statements	74%	69% - 79%	79%	75% - 84%	No	0.13
Percent of Medicare beneficiaries who are knowledgeable about fraud	23%	19% - 28%	38%	32% - 44%	Yes	<0.01
Percent of Medicare beneficiaries who are not aware of any agencies that work to reduce Medicare fraud	88%	84% - 91%	72%	66% - 77%	Yes	<0.01
Percent of beneficiaries who do not know there is a toll-free hotline to report Medicare fraud	86%	82% - 89%	85%	81% - 89%	No	0.87
Of Medicare beneficiaries who say they may have encountered fraud, percent who reported it	55%	40% - 69%	50%	31% - 69%	No	0.71

Appendix B

Confidence Intervals for Selected Statistics

The following table show the point estimates and 95 percent confidence intervals for selected statistics in the order that they appear in the report.

Statistic	Point Estimate	95 Percent Confidence Interval
Of beneficiaries who answered the question "Are you aware of any efforts to reduce Medicare Fraud," percent who answered "yes"	24%	20% - 27%
Of beneficiaries who received information on Medicare fraud, percent who answered "yes" to the question "Are you aware of any efforts to reduce Medicare Fraud?"	37%	31% - 44%
Of fee-for-service beneficiaries, percent who are aware of efforts to reduce Medicare fraud	27%	23% - 32%
Of managed care beneficiaries, percent who are aware of efforts to reduce Medicare fraud	15%	7% - 23%
Of beneficiaries who did not receive information on Medicare fraud, percent who answered "yes" to the question "Are you aware of any efforts to reduce Medicare Fraud?"	16%	11% - 20%
Percent of beneficiaries who reported receiving information about Medicare fraud	45%	41% - 50%
Percent of beneficiaries who had heard of the *"Who Pays? You Pay."* campaign on how to report Medicare fraud	6%	4% - 9%
Of the beneficiaries who heard of the *"Who Pays? You Pay."* campaign, percent who said they had also seen a television PSA about the campaign	54%	37% - 72%
Percent of beneficiaries who suspect that they have encountered Medicare fraud	11%	8% - 15%

Appendix B

Statistic	Point Estimate	95 Percent Confidence Interval
Percent of beneficiaries who report that Medicare was billed twice for the same goods or services	6%	4% - 8%
Percent of beneficiaries who report that Medicare was billed for services or equipment they did not receive	5%	3% - 7%
Percent of beneficiaries who were offered free medical services, tests, or equipment	10%	8% - 13%
Percent of beneficiaries who report that they were sent or delivered equipment that was not ordered by their doctor	0.2%	.04% -1.02%
Of beneficiaries who received information about Medicare fraud, percent who answered "don't know" to the question "Who would you contact if you experienced fraud while in the Medicare program?"	14%	10% - 18%
Of beneficiaries who did not receive information about Medicare fraud, percent who answered "don't know" to the question "Who would you contact if you experienced fraud while in the Medicare program?"	22%	17% - 27%
Percent of beneficiaries who agreed with the statement "It's not worth the time and effort for me to report and pursue suspected health care fraud."	16%	11% - 20%
Percent of beneficiaries who disagree with the statement "Medicare fraud is easy to recognize."	49%	43% - 55%
Of beneficiaries who encountered suspected Medicare fraud, percent who reported the incident	48%	34% - 62%
Percent of beneficiaries who report that they "always" read their Medicare claim statements	80%	76%-84%

Appendix B

Statistic	Point Estimate	95 Percent Confidence Interval
Percent of beneficiaries who report that someone else reads their Medicare claim statements	47%	42%-52%
Of beneficiaries earning less than $10,000, percent who report "always" reading their Medicare claim statements*	67%	53%-80%
Of beneficiaries earning more than $10,000, percent who report "always" reading their claim statements*	82%	77% - 87%
Of beneficiaries who read English "very well," percent who report that they "always" read their Medicare claim statements*	82%	78% - 87%
Of beneficiaries who do not read English "very well," percent who report that they "always" read their Medicare claim statements*	66%	54% - 78%
Of beneficiaries who see "very well," percent who report that they "always" read their Medicare claim statements*	83%	78% - 88%
Of beneficiaries who do not see "very well," percent who report that they "always" read their Medicare claim statements*	72%	65% - 80%
Of beneficiaries who agree with statement, "It's not worth the time and effort for me to report and pursue suspected health care fraud," percent who "always" read their Medicare claim statements	67%	55% - 79%
Of beneficiaries who disagree with statement, "It's not worth the time and effort for me to report and pursue suspected health care fraud," percent who "always" read their Medicare claim statements	83%	79% - 87%

* Of beneficiaries who answered the question

Appendix C

Analysis of Respondents Versus Non-Respondents

We compared survey respondents with survey non-respondents for five variables: (1) beneficiary age at the time of the interview, (2) race of the beneficiary, (3) gender of the beneficiary, (4) median income of local community, and (5) urban-rural residence. We found that respondents are not different from non-respondents by gender or the urban-rural character of the community. However, respondents are different from non-respondents by age, race, and median area income. To determine the effect of the relationship between response rate and age, race, and median income, we conducted an additional analysis of the baseline statistics listed in Appendix A. In this analysis, we assumed that non-respondents would have answered the same as respondents within the same age, race, or median area income categories. We then recalculated the baseline statistics. We found that the results were all within the 95 percent confidence intervals of the original estimates. Therefore, we did not find any statistical evidence of age, race, or median income bias because of non-response.

Analysis by Age

Respondents differed significantly from non-respondents by age. The under-65 and 85-and-older groups are under represented among the respondents, whereas the 75 to 84 age group is over represented.

Respondents versus Non-Respondents by Age Group

Age	Respondents	Non-Respondents
Under 65 years	10.9%	16.0%
65 to 74 years	41.8%	38.6%
75 to 84 years	37.9%	30.9%
85 years and older	9.4%	14.5%

The chi-square for respondents versus non-respondents by age group is statistically significant:

chi-square = 19.533 degrees of freedom = 3 probability = .0002

Appendix C

Analysis by Race

Respondents differed significantly from non-respondents by race. As shown in the table below, beneficiaries who were white were over-represented among respondents.

Respondents versus Non-Respondents by Race

Race	Respondents	Non-Respondents
White	89.3%	80.7%
Other	10.7%	19.3%

Chi-square for respondents versus non-respondents by race is statistically significant:

chi-square = 19.0535 degrees of freedom = 1 probability < .0001

Analysis by Median Area Income

Respondents differed significantly from non-respondents in the median income of the zip code of residence. As shown in the table, respondents lived within zip codes with a higher median income than non-respondents.

Respondents versus Non-Respondents by Median Income

Median Income	Respondents	Non-Respondents
Median zip code income (standard error)	$31,470 ($509.06)	$30,049 ($390.64)

T-test for respondents versus non-respondents by median zip code income is statistically significant at the 95 percent confidence level:

t= -2.21 degrees of freedom =1364 probability > $|t|$ = .0270