Scammers are targeting Medicare and Medicaid beneficiaries in schemes which involve the use of illegal kickbacks and bribes by durable medical equipment companies, laboratories, and pharmacies to telemedicine corporate executives in exchange for orthotic braces, diagnostic testing, and prescription drugs that are medically unnecessary.

They own telemedicine companies and call centers. They use international marketing networks to lure unsuspecting individuals into a criminal scheme through telemarketing calls, direct mail, television ads, and internet pop-up ads. A call center confirms that an individual is on Medicare or Medicaid and transfers the individual to a telemedicine company for a medical practitioner’s consultation. Telemedicine executives are the masterminds of this scheme. They pay practitioners for prescriptions.

The telemedicine company obtains prescriptions from medical practitioners and sells them to pharmacies, laboratories, or medical equipment companies. Medical practitioners are being paid by telemedicine executives to order unnecessary prescriptions, either without any patient interaction or with only a brief telephonic conversation with patients they have never met or seen.

After the pharmacy, lab, or medical equipment company purchases the prescription, it sends the prescription to the beneficiary. Medicare or Medicaid is then billed and the telemedicine executives receive a kickback from the scam. This telemedicine fraud scheme has caused more than $4.5 billion in loss and the revoking of Medicare and Medicaid billing privileges of over 250 medical professionals.

* This alleged scheme is current as of September 2020.