

Cost of Medical Identity Theft, Part One

by vcmorris - Thursday, August 05, 2010

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The high cost of health insurance gets even higher when identity thieves get their hands on your medical records.

According to the 2010 Identity Fraud Survey Report by northern California based Javelin Strategy & Research – ID theft continued to rise last year and had more victims than in *any* period since the survey began in 2003.

The good news in the midst of a bad situation is that the average out-of-pocket dollar amounts victims pay reached an *all time low* due to better understanding among consumers about ID theft prevention, detection and resolution.

But when it comes to your medical records, identity thieves call them “the mother lode” for committing their crimes. After all, medical records contain everything that’s needed to establish someone else’s identity: Social Security numbers, addresses, often even payment account information. In fact, the most recent National Study on Medical Identity Theft by the Ponemon Institute estimates that nearly a million and a half Americans were victimized by this kind of theft within the past two years.

Medical identity theft typically involves stolen insurance card information or costs related to medical care and equipment given to someone using the ID theft victim’s name. More than 1-point-4 million adults have experienced some type of fraud involving theft of their medical identification information. The dollar cost on average per victim to resolve a case of medical identity theft is nearly \$21,000.

Unlike credit card fraud where the bank eats the losses, with medical ID theft, victims often have to pay for care they never received, and some lose their health insurance because of it or are forced to pay higher premiums to restore it. Victims are often forced to sort out the fraud from fact with doctors, hospitals, insurance companies and credit agencies.

It’s your money so take it personally™. Next week, how to protect yourself against medical identity theft.

Here's to your health and wealth.