



The Street

In 2024, Americans reported a record-shattering \$16.6 billion in losses to the FBI's Internet Crime Complaint Center - a 33% increase over 2023.

Medicare and hospice scams are on the rise

BY ROBERT POWELL, CFP
The Street

Medicare and hospice scams are on the rise.

In a rare show of bipartisanship, the U.S. House of Representatives unanimously passed the Senior Security Act - a bill aimed squarely at protecting older Americans from financial scams.

Championed by Rep. Josh Gottheimer (D-N.J.), the bill would establish a Senior Investor Task Force within the Securities and Exchange Commission.

Its job?

Don't miss the move: SIGN UP for TheStreet's FREE daily newsletter

To identify and address the risks older investors face - from outright fraud and financial exploitation to the more subtle threats tied to cognitive decline.

Image source: Chaozzy Lin on Unsplash

THE FINANCIAL SCAM RISKS OLDER ADULTS FACE

The Senior Investor Task Force is long overdue. For years, advocates have called for stronger investor protections for seniors, and this legislation delivers. Here's what it would do:

- Identify challenges that senior investors face navigating the financial system
- Recommend changes to SEC rules or those of self-regulatory organizations to better protect seniors
- Coordinate efforts with other SEC offices, the Elder Justice Coordinating Council, and other relevant agencies
- Collaborate with state securities regulators, law enforcement, and insurance departments

The task force would also deliver a biennial report to Congress, summarizing:

- Trends and innovations reshaping the investing landscape for older Americans
- Regulatory and industry practices that impact senior investors
- Key observations from enforcement actions and investor education efforts
- The most serious issues confronting senior investors
- Recommendations for changes in regulation, guidance or legislation

For retirees trying to safeguard their nest eggs - and for the advisers who help them - this is an important step toward turning concern into real protection.

HOW MUCH MONEY DID SENIORS LOSE TO SCAMS IN 2024?

In 2024, Americans reported a record-shattering \$16.6 billion in losses to the FBI's Internet Crime Complaint Center - a 33% increase over 2023. According to the 2024 IC3 Annual Report, IC3 received 859,532 complaints - more than 2,000 a day. A staggering 83% of those losses were tied to cyber-enabled fraud.

Older adults were hit especially hard. Those aged 60 and older reported \$4.9 billion in losses - a 43% jump from the previous year. They filed 147,127 complaints, up 46%. Among seniors who lost more than \$100,000, the average loss was \$83,000 - a life-altering amount for most.

That's why efforts like the Senior Security Act - and public education campaigns about scams - are more important than ever.

MEDICARE SCAMS: A NEW WARNING

Speaking of public education campaigns, the Centers for Medicare & Medicaid Services (CMS) just issued a warning to beneficiaries about a disturbing new scam: fraudsters posing as

salespeople offering "free" services or gifts in order to enroll unsuspecting seniors in hospice care - without their knowledge or need.

In a July 16 fraud alert, CMS outlined how the scam works:

- Scammers contact you via text, phone, email, fake ads - or even knock on your door.
- They offer "free" perks like cooking, cleaning, groceries, or medical supplies.
- In return, they ask for your Medicare number and a signature.
- They use that information to enroll you in hospice care, allowing them to bill Medicare fraudulently.

Hospice care, CMS noted, is for individuals who are terminally ill and should only be considered after discussions with a person's doctor. Enrolling without medical necessity could jeopardize their future Medicare coverage.

CMS Administrator Dr. Mehmet Oz issued a video message warning Medicare beneficiaries to stay alert for such scams and to guard their Medicare numbers carefully.

WHAT THE FTC IS SAYING ABOUT MEDICARE SCAMS

The Federal Trade Commission is also sounding the alarm. In a recent post, FTC consumer education specialist Kira Krown also warned that scammers are luring older adults into fraudulent hospice enrollment by offering free services like housekeeping or gift cards.

"What they likely won't tell you is how," Krown wrote. "They want to commit fraud by signing you up for Medicare hospice - that's right, hospice - care. Then, they can bill Medicare for all kinds of services in your name. If you're signed up and don't need it, this could affect your Medicare coverage in the future. Anyone who tells you differently is a scammer."

To protect yourself, the FTC recommends:

- Never share your Medicare number with anyone offering "free" services.
- Don't sign up for hospice in exchange for perks like groceries, gift cards, or cash.
- Know that Medicare will never send someone to your home to enroll you in services.

If you suspect hospice fraud, call 1-800-MEDICARE (1-800-633-4227) or file a report at Medicare.gov/fraud. You can also reach out to your local Senior Medicare Patrol (SMP) for assistance.

Shopping for an electric vehicle? How long until that \$7,500 tax credit expires?

BY CAROLINE PETROW-COHEN
Los Angeles Times

Michael Buday has one eye on the calendar as he makes plans to purchase a used Tesla. The Orange County, California, resident has two months left to take advantage of a federal tax credit that could save him thousands of dollars if he buys an electric vehicle.

The federal government will stop paying a \$7,500 incentive for new electric vehicles and a \$4,000 credit for used ones on Sept. 30. It's an abrupt reversal by the Trump administration of Biden-era efforts to address climate change emissions from gasoline cars. The details are laid out in the "Big Beautiful Bill" that passed this month.

The tax credits have been available for cars that plug in but also have a gas tank, such as the Toyota Rav4 Prime and the Chrysler Pacifica Hybrid.

Transportation is the largest contributor to climate change both in California and nationally, and experts say it must get much cleaner to preserve a recognizable climate. About 1 in 4 cars sold in California is fully electric or plug-in hybrid, according to the California Energy Commission.

The elimination of the credits is expected to further stunt EV sales that have already slowed



HENRY PAYNE TNS

The Tesla showroom in West Bloomfield, Michigan, sells the full lineup, including Model 3, Model Y, Model S, Model X and Cybertruck.

amid plateauing interest in California and steep auto tariffs. Industry analysts and auto dealers predict they'll see a spike in interest in electric vehicles while people can still get the credits.

Buday, who is looking to buy his second Tesla after purchasing a Model 3 two years ago, said he wants to stay ahead of the curve.

"People tend to not pay attention until it's getting close to a deadline," Buday said. "There's hundreds and hundreds of Teslas even within 60 miles for sale, but I think once people catch on to the fact that these credits are going away, there may be a rush to snap them up."

The tax credits can be applied to most electric vehicles for sale, including the SUVs and trucks on display at Camino Real Chevrolet in Monterey Park. Dealership president Robb Hernandez said he hasn't yet seen a significant jump in EV sales yet. Manufacturers are estimating an increase over the coming weeks, he said.

About 20% of the dealership's total sales come from its electric offerings, Hernandez said, including the popular Chevy Blazer and Equinox. Competition in the electric vehicle space has become increasingly fierce as major auto makers release lines of electric vehicles alongside their gas-powered cars, includ-

ing Ford and Porsche. Electric-only companies including Rivian and Lucid further crowd the field of competitors.

Hernandez is bracing for a drop-off in sales at his dealership with the expiration of the tax credits but said he's confident in Chevrolet's foothold in California.

"We're kind of anticipating there will be a surge, and then possibly after the expiration of the EV credits, there might be a lull," Hernandez said. "Hopefully it will all even out."

Tesla is using the credits' expiration to try to motivate potential customers, with marketing emails that say, "Order soon to get your \$7,500."

Tesla Chief Executive Elon Musk said in an earnings call this month that the elimination of the credits could hurt his company's sales and lead to "a few rough quarters."

The electric vehicle leader has been turning its attention to robotics and autonomous driving technology as vehicle sales falter. Tesla reported a 16% year-over-year decline in automotive sales last quarter.

The news that the credits are expiring may also be drowned out by the overall price volatility consumers are dealing with.

"Most people in this economy are reading the news and struggling to make purchase decisions based on all these moving targets," said Dominick Miserandino, a consumer behavior expert and chief executive of Retail Tech Media Nexus.

"The average person is just trying to make sense of it all," he said.