

## Medical Identity Theft: Victims Pay The Price For Years



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A November 2014 survey conducted by the Ponemon Institute estimates that 2.32 million Americans have been victimised by medical identity theft, with nearly a quarter of the thefts occurring in 2014 alone. Surveyed victims paid, on average, more than \$13,000 in out-of-pocket costs to resolve the fraudulent activity, amounting to more than \$20 billion last year. Those numbers do not include the nearly 80 million Americans affected by the recent Anthem breach, the largest healthcare breach in US history.

### How Does Medical ID Theft Differ From Credit Card Theft?

The Medical Identity Theft Alliance (MIFA), which sponsors the yearly survey and released the *Fifth Annual Study on Medical Identity Theft* last week, notes that the number of victims of medical identity theft has steadily increased over the past five years. Unlike theft of credit card information, medical identity theft often goes unnoticed by victims, in part because they are seldom informed by the breached healthcare entity. It typically takes more than three months from the date of the crime for victims to learn about the violations.

Healthcare data breaches typically involve information that permanently identifies individuals, such as dates of birth and Social Security numbers. Thieves are easily able to sell such data, since they have a much longer shelf-life compared to data tied to financial accounts which can be cancelled. Furthermore, whereas the financial liability for consumer credit cards is often capped at \$50, it can cost thousands of dollars to resolve medical identity theft. The Ponemon study reports that 65 percent of victims paid an average of \$13,500 for resolution.

### Long Term Risks

Resolving medical identity theft is not only costly — it is elusive. The research suggests that only 10 percent of victims completely and satisfactorily settled their cases. HIPAA privacy regulations require that victims participate in the crime resolution. According to the 38-page report, the long-term risks of medical identity theft pose the biggest challenge.

Theft of medical identity can jeopardise the accuracy of healthcare records, which introduces the possibility of error into medical diagnoses and treatment. Besides the embarrassment that comes with the disclosure of private information, something that 90 percent of respondents reported, 20 percent said they believed the stigma associated with the crime negatively impacted career or employment opportunities.

The insidious nature of the crime even extends to children, who may encounter problems with insurance applications as they get older, due to fraudulent use of their identities before they are old enough to be aware of the theft.

Sources: [Forbes](#), [Medical Identity Fraud Alliance](#)

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