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Prime News for Those in Their Prime

Fighting Back Against Health Insurance Scams

U.S. Rep Lloyd Doggett, U.S. House of Representatives

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A recent *Wall Street Journal* article noted that between 2000 and 2002, insurance scams affected more than 200,000 policyholders and left businesses and workers responsible for \$252 million in medical bills. States shut down 41 illegal operations selling coverage through phony and real associations.

Fighting Fraud Over the Phone

Telemarketers have begun targeting seniors by selling fake Medicare prescription drug plans and Medicare Advantage policies to unsuspecting seniors. Some telemarketers use the calls as a ploy to collect private data for identity theft. Another health insurance scam involves medical discount cards. Legitimate plans offer 5 to 25 percent discounts on certain medical services that are purchased from a network of healthcare providers. Fraudulent plans misrepresent the doctors in their network, or fail to deliver the promised discounts altogether.

Medicare Must Be a Public Trust

Unfortunately, con artists are not the only people trying to deceive seniors about their health care. Over the past few years, Medicare has been shifting to a patchwork of private insurance plans, known as Medicare Advantage. We have seen particularly explosive growth in these private plans since the Medicare Modernization Act in 2003 authorized increased payment to these plans as an incentive to remain in the Medicare market. Lured by lucrative payouts, certain Medicare Advantage plans use aggressive marketing and enrollment practices that state insurance commissioners are calling unethical and even fraudulent. For example, some plans claimed to have a wider provider network or different cost-sharing than was truly available.

Learn How to Protect Yourself

Experts advise people seeking to buy health insurance to "stop, call and confirm" the license of the agent and the company with their state insurance department. Be wary of insurance salesmen that come door-to-door and try to come into your home. Consumers who feel they've been sold or offered phony insurance should call the Texas Department of Insurance to file a complaint. The Department is available online at <http://www.tdi.state.tx.us/> or by phone at 512-463-6169. If it is specifically related to Medicare plans, consumers should also call 1-800-MEDICARE and file a complaint. Medicare also has policies to assist with retroactive corrections to enrollment for those who were fraudulently placed in a private Medicare plan. Consumers can reach the Capital Area Agency on Aging for assistance with enrollment at (512) 916-6062, or www.aaacap.org.

Federal Legislation to Protect Against Abuse

Last year the House passed the CHAMP Act, which included provisions to develop better marketing standards for private Medicare plans and stricter penalties for violating those standards. The legislation also expanded the role of state oversight of agents, brokers, and private Medicare plans. The legislation is still under consideration in the Senate.

Contact Lloyd

Readers who wish to write to me about Medicare, health care, or other federal issues can send me a note by mail at 300 E. 8th Street, Suite 763, Austin 78701 via e-mail at lloyd.doggett@mail.house.gov or on my website at www.house.gov/doggett.

U.S. Congressman Lloyd Doggett is currently serving his seventh term in the U.S. House of Representatives where he is a senior member of the Ways & Means Committee, the House Budget Committee, and the Joint Economic Committee. He and his wife Libby have two daughters – one a physician and one a teacher, and two granddaughters.