Confusion Over Health Care Reform Creates Opportunity for Scammers

In February, 2013, we posted an update about a new Medicare scam that is becoming popular, not just in Florida, but nation-wide. (Access the February article here). It appears that scammers haven’t given up on the Medicare scam, and have used changing health care laws to perpetuate the con.

Criminals and con artists tend to capitalize on current events in order to take advantage of their victims. The confusion surrounding the Affordable Care Act, and the implementation of the new Health Insurance Marketplace (also called the health care exchanges), is fertile soil for scammers to sow deceit. The scams are getting worse as we move closer to October 1, 2013, the date on which the health care exchanges are scheduled to go live. Add to this the fact that Medicare open enrollment begins in October, and we find ourselves in a very profitable cycle for scammers who target the elderly.

Given the various reports and complaints that have been filed thus far, consumers should be aware and look out for the following signs of a health care related scam:

**There is no card associated with health care reform.** Fraudsters tell their victims that they must sign up for a new Medicare or health insurance card in order to qualify for benefits under the new health care program. In so doing, the fraudster asks for the victim’s personal information, including their social security number. Don’t fall for this ploy. A real insurance card will only ever be issued by your specific provider, and you should never give your personal information to someone who has called you on the phone and out of the blue. Scammers can trick your caller ID to make it say whatever they want, so don’t automatically believe what your caller ID says.

**The Health Insurance Marketplace (exchange) opens on October 1, 2013.** Anyone telling you that you need to buy insurance now or risk heavy penalties is lying. You will not be able to purchase private insurance through the health insurance marketplace until October 1. Additionally, the marketplace will be open from October 1 through March 31, so you should not let anyone rush you or scare you into making a quick decision. Like any other important purchase, you should take the time to do your research and get the best product for your money.

**Beware of over-the-phone sales people.** Anything sold directly over the phone through cold call solicitation should immediately raise suspicion. These sales agents may be convincing, using high-pressure tactics, or promising you a special price for a limited time. However, prices in the health insurance marketplace have been pre-approved and will not fluctuate during the initial enrollment period.
**Beware scare tactics.** Stories and complaints have surfaced that show fraudsters threatening their victims with jail time if they do not purchase insurance right away. However, the penalty for failing to have health insurance is strictly financial, and you will not be thrown in jail if you fail to purchase insurance. One other quick tip: someone using the term “ObamaCare” should raise red flags. The name of the law is the Affordable Care Act, and should not be referred to as ObamaCare by a legitimate business or entity.

**If you are unsure, hang up and call the authorities.** If you are unsure whether the call is legitimate, you should end the conversation and verify the information. There are several great resources available for consumers with insurance related questions. Please take the time to visit or contact the following offices with additional questions.

- Florida Office of Insurance Regulation: (850) 413-3140
- Florida Department of Agriculture and Consumer Services: (850) 410-3800
- Area Agency on Aging
  - Pasco and Pinellas: (727) 570-9696
  - Hardee, Highlands, Hillsborough, Manatee, and Polk: (813) 740-3888
- Better Business Bureau of West Florida: (727) 535-5522

For more information on consumer fraud and scams, including helpful preventative tips and contact information for other community resources, contact Stetson University College of Law’s Elder Consumer Protection Program by e-mail at elderconsumers@law.stetson.edu, or by telephone at (727) 562-7888.