



Health care fraud: two ways scammers are trying to take your money

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Scammers and fraudsters are taking advantage of public confusion about the new healthcare law by peddling bogus healthcare policies to anxious Americans.

Reported cases of healthcare fraud are rising, according to the Department of Health and Human Services. A recent survey of 37 state insurance fraud bureaus by the Coalition Against Insurance Fraud found referral claims increased in 2009 in every category. The biggest reported increases were in bogus health plans, drug diversion, and fraud by insurance agents.

The federal government is trying to put Americans on their guard. Health and Human Services Secretary Kathleen Sebelius released a letter this week noting the uptick in healthcare-related crime and urging the states to pursue aggressive countermeasures.

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The goal is to convince people they may be left without affordable healthcare if they don't buy now. The gimmick is called "limited enrollment," and it is not true, Secretary Sebelius said.

"There is a lot of confusion out there, and swindlers will try to exploit it," says James Quiggle of the **Coalition Against Insurance Fraud**. He says that with the economic downturn and the passage of the new healthcare law, "we have a perfect storm for large-scale healthcare fraud."

The new healthcare law stiffens penalties for fraud and abuse and increases funding for fraud prevention by \$350 million during the next 10 years. Moreover, Sebelius is urging state officials to "vigorously monitor and prosecute any individuals who attempt to operate or profit from dishonest scams that take advantage of the new law."

In the meantime, consumers beware, says Mr. Quiggle. "Know the warning signs of a scam. If benefits are too generous, if signing up is too easy, and if you're given an urgent time limit, stop. Call your state insurance department to confirm the provider is licensed."



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Here are the two most common types of scams:

1. Door to door salesmen selling bogus policies
Fraudsters are going door to door selling phony insurance policies, said Sebelius, citing media reports. "Some have attempted to make dishonest profits by urging consumers to obtain coverage in a non-existent 'limited enrollment' period that they falsely claim was made possible by the new legislation," she wrote.

2. 1-800 advertisements promoting scams
During the past few weeks, advertisements have surfaced on cable programs exhorting viewers to call an 800 number to take advantage of a "limited enrollment" period to obtain coverage available "now that historic health care legislation has passed," NPR reports.