



Beware Fake Health Insurance

By: Susan Koeppen
CBS

(CBS) Consumer advocates say health insurance scams are growing at an alarming rate in the tough economy, and operating in nearly every state.

“People are suffering devastating financial losses,” James Quiggle, of the Coalition Against Insurance Fraud tell as CBS News. “They are looking for a better health insurance deal. Swindlers love this kind of environment.”

It’s an environment Early Show” consumer correspondent Susan Koeppen likens to a “perfect storm -- a tough economy, rising healthcare costs, and millions of people desperate for coverage.”

And it’s one Koeppen says a group called ATA - the American Trade Association -- is accused of trying to take advantage off by selling what probers call phony health coverage.

Bob Harper filled Koeppen in on what he says were his dealings with ATA, ending up with his needing lifesaving surgery, only to find out his health insurance was fraudulent.

“I was lying in my bed, honestly praying to God, ‘How am I going to get out of this?’” Harper says.

Like many Americans, he was looking for a more affordable health plan. And when a fax came in offering coverage for less than \$400 a month, half the cost he’d been paying, Harper signed up with ATA.

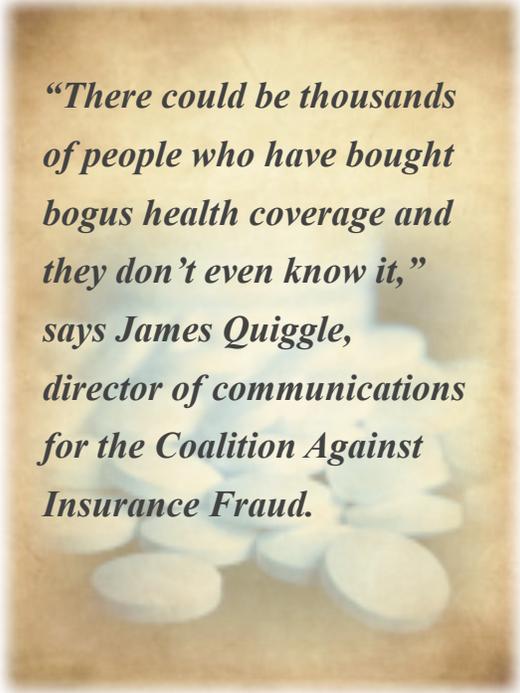
It offers members a range of options -- a limited benefit and comprehensive medical plan. It seemed, says Harper, like a great deal.

“You’ll have access to the nation’s largest PPO network, a network of over half-a-million doctors,” claims one ATA promo.

“They produce materials that look legitimate,” says Oklahoma Insurance Commissioner Kim Holland. But, she says, ATA’s products aren’t real. “They are taking advantage of people,” she says, alleging that ATA sells insurance without a license and fails to pay claims. “They have put people through terrible hardship, terrible anxiety, and they need to be stopped. They need to go to jail.”

An “Early Show” investigation confirms that as many as 20 states are probing ATA or its supposed affiliates. Seven states have filed cease and desist orders against them.

Oklahoma’s Insurance Department says one consumer has reported \$60,000 in unpaid medical



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bills. Harper says ATA covered his prescriptions, but left him owing nearly \$2,000 in claims.

Now he needs a pacemaker. “I didn’t predict that I was going to need a pacemaker or any other thing,” he remarked, through tears. “But, excuse me.”

Insurance regulators believe ATA has collected \$14 million in premiums from 12-thousand people nationwide.

Says Quiggle, “There could be thousands of people who have bought bogus health coverage and they don’t even know it.”

ATA’s Web site says it doesn’t conduct business in Oklahoma anymore, or several other states.

But, in a conversation obtained by “The Early Show,” an ATA representative describes a plan offered by ATA to an insurance investigator posing as an Oklahoma consumer. Officials say the call was taped more than a month after ATA was booted out of Oklahoma. Holland fined ATA and says she’s contacted the FBI.

Harper lives in fear of what the future holds because he has no insurance.