

## Obamacare Implementation: A Golden Opportunity for Con Artists

By: Pema Levy

In 2010, as rumors swirled that the new health care reform law would create so-called “death panels,” con artists saw an opportunity to capitalize on the fear. They began trying to sell fake insurance that would protect people from the imaginary government panels. In at least a few instances, elderly Americans bought it.

Now, with the state health care exchanges slated to open in October, the opportunity for scammers to take advantage of Americans who are unfamiliar with the law, or the process of signing up for coverage, is enormous. Federal and state authorities, private insurance companies and consumer advocates are trying to alert the public and prepare for a big influx of health care reform-related scams that have already begun to arise around the country.

“We always see, whenever there’s something new or something that is in the news, that scammers are going to look to try to take advantage of that,” said Tracey Thomas, a senior staff attorney in the Federal Trade Commission’s division of marketing practices. And health care reform represents one such opportunity on a nationwide scale.

“Typically, crooks claim to be from the federal government and try to sign people up for the new ‘national health care reform card’ or something similar to that,” said James Quiggle, a spokesman for the **Coalition Against Insurance Fraud**, a group working with consumers, insurance companies and government agencies to combat fraud. “Then they say, ‘all you need to do is give us your bank routing number, your bank account number and your credit card number, and then we can sign you up.’”

Of course, there is no national health care reform card, or anything like it.

Some scams will go after seniors, who are considered more vulnerable to these sorts of scams. They’re also more likely to be home during the day to pick up the phone or answer the door. Seniors are already the frequent victims of Medicare and Social Security fraud schemes. “But this is essentially the latest take-off on a scam we’ve seen for years,” Katherine Hutt, communications director for the Council of Better Business Bureaus, which has given tips to consumers on how to spot an Obamacare scam, said in an email. “A senior gets a call from someone claiming to be from the government saying they need a new ‘Obamacare’ card, or need to update their Medicare card, or something

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similar to that. The caller starts asking questions to confirm their address, date of birth, Social Security Number, maybe even bank or credit card numbers. Before you know it, the scammers have everything they need for identity theft.”

Though Medicare fraud is not new, the law presents a new opportunity for scammers to use seniors’ information to make a quick buck filing false Medicare claims, a lucrative scam if someone knows the right claims to make. One recent scam urged seniors on Medicare to turn over personal information in order to remain insured because “change is on the horizon,” according to a report from McClatchy news service, which said the FTC received over 1,000 complaints of similar scams in May of this year alone.

Federal and state government agencies are trying to minimize the harm by alerting consumers before the exchanges open, when the scammers are expected to proliferate more rapidly. Quiggle’s group has already seen reports of Obamacare-related scams in at least 25 states.

One way scammers are expected to deceive people is by claiming to be “navigators” working for a health care exchange, the health insurance marketplaces being set up in each state.