

Our parents, ourselves: Look out health scams

By: Linda Rhodes, PennLive.com

Q: My parents saw an ad for a new health insurance plan as a result of the Health Care Reform law, but it sounded too good to be true. How can they tell?

A: The first red flag is that it's "too good to be true." Scam artists are very savvy at telling consumers what they want to hear. Insurance fraud experts caution that if the deal seems too good — like you'll get full coverage, no pre-existing conditions, cheap premiums, no medical exam or detailed questions to answer — then you are likely being scammed.

The **Coalition Against Insurance Fraud** has been reporting a spike in health insurance scams due to high unemployment as people scurry to find health insurance. Add the passage of the new health care reform law, and coalition communications director James Quiggle forecasts: "You have a perfect storm of vulnerabilities." People are confused as to what the new law covers and when it takes effect. "Confusion," warns Quiggle, "is a crook's best friend."

And confusion sure surrounds the recently passed health care reform law. Not even lawmakers seemed to know what was in the bill. So right after the law was passed, hustlers were going door-to-door, claiming that there's a limited open-enrollment period to buy health insurance. One ad appeared on cable TV stations showing a picture of the president urging people to call during a very limited enrollment period to get the new coverage. It has since been shut down.

Other than the "deal seems too good to be true," the Coalition Against Insurance Fraud offers eight warning signs of fraudulent health insurance:

1 - Intrusive sales tactics that invade your privacy through unsolicited phone calls, door-to-door sales, faxes and e-mails. The "agents" are usually very aggressive and the marketing material doesn't show legitimate contact information.

2 - Pushy sales representatives who urge you to sign up immediately or you'll lose their special deal.

3 - Vague answers that are fuzzy about coverage details, brochures that are too simplistic or agents who seem ill-informed, avoid answering your questions by telling you "everything you need to know is in the brochure" or are unwilling to show you the actual insurance policy.

4 - Requirement that you have to join an "association" or "union" to buy the coverage. Typically these groups are fake and create an illusion that the phony plan is legitimate.

5 - Slick Internet sites present a professional-looking Web site urging you to buy "coverage" online quickly and easily. They get your credit card or bank account numbers leaving you without a policy and your money.

6 - Slow response is the norm. You won't receive your insurance card or policy promptly after signing up.

7 - Suspicious payment delays. The hospital complains that your plan hasn't paid your medical bills. When you call they give excuses of "accounting glitches" or "processing errors."

8 - The "federal oversight" con game claims that the insurance plan doesn't require state licenses because they are regulated by ERISA or another federal law. Almost all plans require state licensure.

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