

Scams feed on health care law

By: Lindsay Wise, Sacramento Bee

If a stranger claiming to be from the government calls to offer you an "Obamacare card" or threatens to throw you in jail unless you buy insurance, hang up the phone. It's a scam.

Fraudsters are poised to take advantage of widespread confusion over the Affordable Care Act – also known as Obamacare – to steal Americans' credit cards, Social Security numbers and other personal information, consumer advocates and government officials say.

"This is the huge, new government program. There's no doubt in my mind that the fraudsters view it as an opportunity to rip people off," said Lois Greisman, associate director for the Federal Trade Commission's division of marketing practices.

The FTC already has issued a consumer alert about one telemarketing scheme, in which impostors claiming to be from Medicare told consumers they needed to hand over their personal or financial information in order to continue eligibility because "change is on the horizon." But nothing in the Affordable Care Act threatens existing benefits for Medicare enrollees, Greisman said. The official-sounding calls were just a ploy to steal consumers' identities and money.

The FTC received more than 1,100 complaints about similar scams in May alone.

Another typical rip-off involves fraudsters who contact consumers by phone or email and say, "I'm with Obamacare. I need your information to send you your new Obamacare card," said John Breyault, vice president of public policy for the National Consumers League, an advocacy group in Washington.

Some scammers try to sell consumers very poor coverage or coverage that isn't even real.

The callers then request bank account routing numbers or credit cards, or ask for cash directly through a wire transfer, he said.

"Scammers usually say you have to join. 'It's the law now, so you have to give us money,' " Breyault said. " ... It's typically using scary language like 'the government requires you to do this' or 'you're going to lose your benefits unless you send us money.' "

Consumer groups first noticed a spike in complaints about Affordable Care Act swindles after Congress passed the 2010 law. Now, as the Oct. 1 deadline to open health care exchanges

"Do not allow them to try to sweet-talk you and engage you because some of these people are very trained and very good at slowly easing you into giving up your information," says James Quiggle, Communications Director for the Coalition Against Insurance Fraud.



approaches, health care scams are on the rise again.

The FTC's Greisman worries that some scammers will exploit the government's efforts to better educate consumers by pretending to be certified "navigators." The administration has announced \$54 million in grants for navigator groups, which will be tasked by law to help uninsured Americans sign up for benefits in the exchanges.

All navigators must be impartial, certified and trained, said Richard Olague, spokesman for the federal Centers for Medicare and Medicaid Services. Some states may require fingerprinting or background checks, Olague said. But it isn't yet clear whether navigators will be allowed to use telemarketing or unsolicited emails in their

"The closer we get to registration in October, the greater the odds that the con artists are going to be looking for weaknesses in the emergent new systems and they will be probing. And you can bet your bottom dollar that there will be some fresh and interesting new scams," said James Quiggle, spokesman for the Coalition Against Insurance Fraud, a nonprofit based in Washington.

So far, Quiggle's group has documented swindles related to the Affordable Care Act in at least half of the 50 states.