

Scammers Prey on Health-care Confusion

By: Victoria Colliver

As efforts begin to market the Affordable Care Act, criminals increasingly have been working schemes to take advantage of consumers who may not be fully informed about the complex health reform law that will require them to buy insurance if they don't have it.

The scams include high-pressure e-mails, phone calls from people masquerading as representatives of the federal government, and visits from seemingly official enrollers trying to persuade people to buy a policy, sign up for a bogus medical card or give out their personal information.

"Obamacare scams are popping up all over the country. They've been identified in at least half of the states, and possibly more," said Jim Quiggle, spokesman for the Coalition Against Insurance Fraud, a Washington, D.C., group that works with consumers, insurance companies and government agencies to combat fraud.

The perpetrators have a wide range of tactics and could come from anywhere, he said. "Nobody knows whether the scams are carefully orchestrated by an organized criminal enterprise or whether this is simply buckshot phone calls by individual entrepreneurs who think they can make a quick dollar off of the impending launch of health reform," Quiggle said.

Either way, consumer experts say, the ploys are designed to take advantage of a large segment of the population that may not yet understand the details of the most comprehensive overhaul of the nation's health system in decades.

In one mass e-mail scheme that has been circulating in recent weeks, recipients are told that failure to obtain health insurance under the Affordable Care Act could result in incarceration.

"Are you breaking the law?" reads the e-mail from a "health insurance expert." "With the President's health care mandate now passed into law, you could face prison time if you do not get healthcare coverage immediately. We can help you avoid penalties and find an affordable plan."

The threatening come-on is false, because the health care law will not lead to imprisoning anyone for not getting coverage. Additionally, signups for the new health program will not begin until Oct. 1, so no "immediate" action can be taken.

In another reported scheme, scammers have been trying to swindle consumers out of an "enrollment fee" to sign up for coverage under the law, even though no fee is required to participate.

Scams started as soon as the law passed in 2010, but they are

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becoming more widespread as the law gets close to being implemented, Quiggle said. "Now there's another wave during the run-up to the launch of whole system," he said.

The frequency of these attempts can be tough to pin down because, in many cases, consumers simply delete e-mails or hang up the phone without reporting the incident.

That's what Judy Littlefield of Loomis (Placer County) did when she received a phone call about a month ago from someone trying to obtain her personal information under the guise of selling her a medical card under President Obama's new health law.

"I just told them I don't give out information over the phone," Littlefield said. And then she hung up.

Littlefield, a 72-year-old retiree, already has health coverage through Medicare. The new law isn't focused on seniors. The exchanges are for uninsured individuals, or those in small businesses, who are under the age of 65 and not eligible for the federal health programs for seniors.

Quiggle, the spokesman for the Coalition Against Insurance Fraud, commended Littlefield's approach.

"Your best defense against these cons is simply close the door or hang up the phone," he said. "Don't let these crooks engage you in conversation."