

Real Healthcare Reform Starts With Prescription Drug Reform

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A Springfield-based group selling allegedly illegal health-insurance policies has collected more than \$14 million from consumers over the past two years, and now is under investigation in a number of states, including Tennessee.

[Insurance](#) regulators say the total amount of premiums collected for the policies could top \$100 million, and at least 12,400 people nationwide are believed to have bought the policies so far.

At least 20 states' insurance regulators have issued or are working on cease-and-desist orders to try to stop the sale of the [health](#) policies, which are being marketed by two businesses controlled by Springfield resident Bart Posey. None of the principals or businesses involved is licensed to sell insurance, the state regulators say.

The [businesses](#) are the American Trade Association, or ATA, a nonprofit corporation that lists Bart Posey and his wife, Angie, as board members; and Smart Data Solutions, or SDS, a company owned by Posey that he says employs about 50 people.

The companies market health plans to consumers via telemarketing calls, fax blasts and Web sites, selling various levels of ATA membership, which begin at about \$200 per month.

Posey insists that the limited-benefit health plans — which he called "mini-meds" — are legitimate policies underwritten by Beema-Pakistan Ltd., an insurance company based in Pakistan, and an alleged affiliate, Serve America Assurance, headquartered in Bermuda.

But insurance regulators and the [Nashville Better Business Bureau](#) say Beema and Serve

America are not licensed in the United States, and that in any event, Beema has denied that it is doing business with ATA or SDS and that it has any connection to Serve America.

Instead, said Oklahoma Insurance Commissioner Kim Holland, SDS operates illegally as a self-insurer, paying claims — on a limited basis — out of the money it collects from policyholders, rather than submitting the premiums and claims to a licensed insurance company. The Nashville Better Business Bureau issued a consumer alert about ATA/SDS and the health-insurance plans on Jan. 22, and gave the business an "F" rating. It said that it had received 31 complaints about ATA/SDS, but it was unclear

just how many Tennessee residents have bought the policies. A BBB news release said, "Smart Data Solutions (SDS) lures in unsuspecting consumers with 'health plans' touted as 'insurance.' 'Pre-existing Conditions OK!' — 'Guaranteed Acceptance!' say the unsolicited fax ads. Consumers later find out the plans are really a discount health plan, not insurance." A discount health plan simply provides a discount at certain providers, like a coupon would, versus a [health insurance](#) policy, which would pay providers or reimburse patients for a certain portion of medical services.

Doctor shopping has reached epidemic proportions. According to the Coalition Against Insurance Fraud, doctor shoppers cost insurers \$10,000 to \$15,000 per year (per patient) in office visits, ER treatment, and drug rehabilitation.

[Tennessee's Department of Commerce and Insurance](#) issued a cease-and-desist order against ATA, SDS, Posey and his associates on Jan. 28, in which it said that none of the businesses or individuals is licensed to sell insurance or to act as benefit administrators in Tennessee. Hearing on the order has been set for March 16.