

Beware of Affordable Care Act Scammers

By: Kathleen Doheny, WebMD

With open enrollment under the Affordable Care Act set to begin Oct. 1, officials at the new health insurance Marketplaces are gearing up to help consumers.

Call centers have been launched. "Navigators" to help consumers are being trained. Ad campaigns are under way in the states operating their own Marketplaces.

And the crooks are already at work, too, eager to pretend to help people enroll as they steal personal information, money, or both.

Health care scams are increasing, officials say, and they expect the trend to get worse. "ACA scams are a top priority for the FTC [Federal Trade Commission], and we expect to receive more consumer complaints about them when the health insurance Exchanges get started," says Frank Dorman, an FTC spokesman.

Even savvy consumers might listen to a scammer's pitch without realizing that it's bogus because there's so much confusion about the health care law. In an August poll, the Kaiser Family Foundation found that 51% of Americans don't understand how the law will affect them.

"Confusion is the scammer's No. 1 tool," says Katherine Hutt, a spokeswoman for the Better Business Bureau (BBB).

Obamacare cons have been rearing up all around the country, says James Quiggle, a spokesman for the **Coalition Against Insurance Fraud**.

Three types of scams are especially popular now, Quiggle and others say.
Scam No. 1: The "Threat of Jail" -- and Other Urgent Emails

The subject line of one email going around sounds good: "Avoid overpaying and comply with the law by getting health coverage now."

The text that follows, though, is a lie -- and frightening: "With the president's health care mandate now passed into law, you could face prison time if you do not get health care coverage immediately."

Under the Affordable Care Act, most people do have to have health insurance. The penalty, though, is not jail. In 2014, it's 1% of your income or \$95, whichever is greater.

Next, the email claims to offer help: "We can help you avoid penalties and find an affordable plan." Readers are then invited to find competing companies with the lowest prices simply by entering their ZIP code. They are also given a web site to click to and are reminded again that they're breaking the law without health care coverage.

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Coalition Against Insurance Fraud

"Never give your personal information to anyone who has contacted you," Hutt says. Even if that email looks legit, complete with state seals or other official emblems, don't supply information, she says. "Any kind of online form can be masked to look very professional."

The federal government won't cold call you or send unsought emails about the new health care law.

Scam No. 2: Solicitors on the Phone or at Your Door

Phone solicitors are offering people an "Affordable Care Act card," sometimes telling them they're among the first. The caller will say something like, "You need an Affordable Care Act card. If you just give me your information, we will get your card out to you." Typically, Hutt says, they ask for a Social Security number and bank account number, which is all they need to drain your savings.

Remember, there is no such thing as an Affordable Care Act card.

A twist on this scam is to tell seniors they need an Affordable Care Act card to replace their Medicare card, or a new Medicare card. Neither is true.

Even if the caller ID looks official, it may not be, Hutt says. Scammers are good at masking the caller ID or creating a caller ID that looks official, such as "U.S. Government," a practice known as