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ABUSIVE MEDICARE INSURANCE SALES PRACTICES SPREADING THROUGHOUT STATE Seniors Urged to be Vigilant in Selecting Program

(Jackson)-Commissioner George Dale today announced that the Mississippi Insurance Department (MID) is joining State Senator Terry Burton (Lauderdale, Newton, Scott Counties) and Colonel Don Taylor and the Mississippi Department of Human Services (MDHS) in alerting Mississippi's senior citizens to be aware that abusive sales practices relating to Medicare Insurance, first reported late last year, are spreading rapidly throughout the state.

According to complaints, some Medicare recipients are being enrolled in these plans without fully understanding their terms, and in some cases, without even knowing they have been enrolled. All Medicare recipients and their family members are urged to be vigilant when selecting a Medicare Part C or Part D plan, and if an agent uses abusive sales practices, to contact the MID immediately.

"My office is receiving calls daily from seniors who have been victims. It is unacceptable to have these individuals preying on some of the most vulnerable citizens in the state. I want people to know that the exploitation of our senior citizens by these unscrupulous sales people and the companies that condone such exploitation will not be tolerated. Every effort will be made to stop those practices and protect our seniors," said Senator Burton.

Although the Medicare Program is under federal regulation, Commissioner Dale is concerned with reports that some agents are continuing to use a variety of confusing and deceptive sales practices to sell Medicare-related Part C and D Plans.

"From the calls we continue to receive we're learning that the problem we first recognized in the northern part of the state is now spreading further and further south. We are finding that some individuals preying on our state's seniors and senior oriented communities are using tactics that are confusing and downright deceptive and it must be stopped. Abusive sales practices will not be tolerated by this department. Anyone engaging in such practices will be subject to severe regulatory action by the MID, such as suspension or revocation of a license and/or a fine," said Commissioner Dale.

The Commissioner is quick to point out that these plans could be beneficial to some people and not all agents are engaging in these deceptive practices. However, he did note that the MID, working with state and local law enforcement, has successfully revoked the license of one agent and have a number of others under investigation.

Companies offering Medicare plans are subject, under federal regulation, to strict marketing guidelines for such plans, which include prior approval of marketing material. MID will consider any deviation from or violation of federal Medicare Marketing Guidelines to also be a violation of the Mississippi Insurance Code.

Among the abusive Medicare Part C and D practices being reported are door-to-door solicitations. Conducting a door-to-door solicitation or outreach prior to being invited by a Medicare recipient is prohibited. If someone comes to your door without you having invited them, do not let them into your home. Also, do not give that person any information about yourself or let him or her see any of your personal documents. Especially do not sign anything for that person.

“The Mississippi Insurance Counseling and Assistance Program (MICAP) of MDHS’s Division of Aging and Adult Services, is designed to answer seniors’ questions about health insurance. Our volunteers are trained to answer questions, compare policies, organize paperwork, help with claims and filing appeals on Medicare, Medicaid, supplemental insurance and other coverage. I would strongly encourage any senior with questions to contact one of the 10 Area Agencies on Aging offices throughout the state,” said Colonel Don Taylor, Executive Director of MDHS.

Anyone who suspects they have been the victim of abusive Medicare Insurance sales practices is urged to contact MID as soon as possible at 1-800-562-2957. For any other questions regarding Medicare Part C and D policies, they should contact MDHS at 1-800-948-3090.

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SCENARIOS USED IN ABUSIVE MEDICARE PART C AND D SALES PRACTICES

A number of scenarios are currently being reported to the Mississippi Insurance Department (MID) as being in use by these agents. Commissioner George Dale urges all Medicare recipients that if you find yourself in a similar scenario, such as the ones described below, a red flag should go up and you should contact the MID immediately. Scenarios that are proving to be of particular favorites to the agents using abusive sales practices include:

- 1). The agent will actually claim to be from Medicare. In many instances, the agent will present a red, white, and blue card that looks like a Medicare recipient’s card.
- 2). The agent will have the Medicare recipient fill out a “request for more information,” form, when in fact the “request” form is actually an enrollment form for whatever Part C or D plan the agent is selling.
- 3). The agent will ask the Medicare recipient to sign a form “just to show [my] boss” the agent contacted the recipient.

- 4). The agent assures the Medicare recipient that enrollment will not affect his/her Medicare coverage. While this may be true of some portion of Medicare plans, MID is finding that the recipient no longer receives benefits under traditional Medicare Part A and B policies. Often the recipient discovers this fact when a health care provider informs them that Medicare has declined to pay a charge.

- 5). The agent tells the Medicare recipient that enrollment in the plan he or she is selling will not cost anything. Nothing is free. The agent receives a commission from the sale and premiums will be collected from policyholders.

- 6). In a particularly serious case, MID found that several recipients had no knowledge of being enrolled in a Medicare Part C plan, and had never had any contact at all with the agent responsible for enrolling them. It is believed that the recipient's personal information was obtained fraudulently, and was used on the plan enrollment forms.