

# This open enrollment season, look out for health insurance that seems too good to be true

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Credit: Pixabay/CC0 Public Domain

It took nearly a year for Kelly Macauley to realize the health plan she bought while shopping for insurance coverage last October was not, in

fact, insurance. Sure, red flags popped up along the way, but when she called to complain, she said, she was met with explanations that sounded reasonable enough and kept her paying her \$700 monthly premiums.

She said she was told that her medical bills weren't being paid because the hospital was submitting them incorrectly. That Jericho Share, the nonprofit that sent her a membership card reading "THIS IS NOT INSURANCE," was just her policy's underwriter, not the actual insurer. That she hadn't received a policy welcome packet because the company was saving paper and passing those savings on to customers.

Then, this summer, the 62-year-old retired teacher who recently moved from the Philadelphia area to South Carolina, learned her plan had paid only \$120 of the bill for her hip replacement last year, leaving her with a balance of over \$40,000. She said she'd been assured the procedure would be covered when she was shopping for insurance. But it turns out that the plan she purchased wasn't insurance at all but rather part of something called a [health care](#) sharing ministry.

Health care sharing ministries are an alternative to [health insurance](#) in which members agree to share medical expenses. They are often faith-based and can be cheaper than traditional insurance, although they don't necessarily cover their members' medical bills, according to a Commonwealth Fund report.

"That was never, ever mentioned to me," Macauley said. "I honestly believed I was buying legitimate medical insurance."

Beginning Nov. 1, millions of Americans will purchase health insurance for 2023 in a period known as "open enrollment." Through the federal and state insurance marketplaces, consumers can shop for Affordable Care Act-compliant health insurance plans and find out whether they qualify for financial assistance.

But experts caution that the rush to buy coverage also presents an opportunity for people selling alternative products, such as short-term [health plans](#) and health care sharing ministries, that are often cheaper than comprehensive coverage but provide far fewer protections. Though those alternatives are themselves legal, experts caution that misleading marketing can direct consumers shopping for comprehensive coverage into buying health plans that exclude protections for preexisting conditions and leave patients vulnerable to large [medical bills](#).

"It's a [prime time](#) to go looking for consumers who are out shopping for insurance and take them down the wrong path," said JoAnn Volk, co-director of Georgetown University's Center on Health Insurance Reforms.

Volk identified telltale signs of that wrong path: if the person selling you a plan starts asking about your health history, or if they refuse to send you information about the plan altogether, or they agree to provide that information only after you give them your payment information.

According to a 2021 secret-shopper report on misleading marketing practices, which Volk co-authored, one broker incorrectly cited HIPAA, the law to protect patient privacy, as a reason to not share information about the [health plan](#).

"Just made-up stuff," Volk said. "If you're committing fraud, there are no boundaries."

In a statement to KHN, Jericho Share spokesperson Mark Hubbard said the organization couldn't discuss Macauley's case without her prior written approval but doesn't tolerate any misrepresentation or unethical conduct on the part of its programs.

Nationwide, lawmakers and regulators are taking notice of how health care plans are sold. Senate Finance Committee Chairman Ron Wyden, a

Democrat from Oregon, is investigating complaints about the marketing of Medicare Advantage plans. And in May, the Centers for Medicare & Medicaid Services noted that complaints about marketing practices for Medicare Advantage and Medicare prescription drug benefit plans rose from 15,497 in 2020 to at least 39,617 in 2021.

"Scams involving health care have increased exponentially," said Delaware Insurance Commissioner Trinidad Navarro, who also chairs the anti-fraud task force of the National Association of Insurance Commissioners.

Multiple factors are causing the increase, Navarro said. Rising health care prices can drive up the cost of regulated health plans, such as those that are compliant with the Affordable Care Act. Higher costs push more Americans to look for cheaper alternatives that usually don't provide as much coverage and can confuse consumers. Those types of plans proliferated under President Donald Trump's administration, Navarro said.

"I don't want to sound political," said Navarro, an elected Democrat, "but the previous presidential administration was really pushing the skinny plans and the alternatives to the ACA, and I don't necessarily think that they understood the fraud that was associated with these plans."

Finally, Navarro said, because states are the primary regulators of insurance, tamping down on health care scams can be like playing a game of whack-a-mole—when one state takes action, scammers move to another one to open shop.

To fight that tactic, Navarro said, insurance regulators nationwide have created what he described as a "confluence page" to share among themselves information about bad actors. For consumers, Navarro said, regulators are talking about creating a public lookup tool to search for

complaints against health insurance brokers, similar to the BrokerCheck tool created by the Financial Industry Regulatory Authority to monitor stockbrokers.

For now, he suggests working with health care navigators, who help consumers enroll in plans through the official health insurance marketplace, healthcare.gov. Also, regulators have been taking [legal action](#) on misleading sales tactics. In August, the Federal Trade Commission won \$100 million in refunds for consumers it said were "tricked" into sham health plans. Last year, the Massachusetts attorney general won \$515,000 in consumer relief from an insurance company accused of deceptive sales practices.

Court filings from October indicate the California attorney general is investigating Jericho Share—the health care sharing ministry that Kelly Macauley said she unwittingly bought a plan from—to see whether it is in compliance with the state's requirements for health care sharing ministries.

Jericho Share's spokesperson, Hubbard, said the organization is "responding appropriately" to the attorney general's inquiry.

Macauley reached out to KHN after reading a June investigation about consumers who said they thought they were buying insurance only to later learn they had been sold memberships to that health care sharing ministry.

Hubbard noted that since that story was published, Jericho Share automatically provides refunds in 72 hours for new consumers requesting one within 30 days of signing up, no longer allows "outsourced marketing for enrollments," and added a member guide and pop-up on its website stating that Jericho Share is a health care sharing ministry.

The company did reply online to Macauley's bad review on the Better Business Bureau website, asking for more information about her case. She said she supplied that information but never heard back.

After Macauley unsuccessfully attempted to cancel her Jericho Share plan with the company directly, she said, she called her credit card company to stop it from approving any more charges by the company. When she described her situation, Macauley said, the sympathetic credit card representative told her, "This is fraud," and offered to try to get Macauley all of her premiums back.

Even if that effort is successful, Macauley will be left with the tens of thousands of dollars of medical charges she incurred while unknowingly uninsured.

She is on the market for health insurance again and plans to choose a company she's heard of before.

"Whatever it costs," Macauley said, "I just want to know I really have insurance."

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