

Biden administration proposes crackdown on scam Medicare ads

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Chiquita Brooks-LaSure, the administrator for the Centers of Medicare and Medicaid Services, poses for a photograph in her office, Feb. 9, 2022, in Washington. The Biden administration on Dec. 14 proposed a ban on misleading ads for Medicare Advantage plans that have targeted older Americans and, in some cases, convinced them to sign up for plans that don't cover their doctors or prescriptions. The rule would ban ads that market Medicare Advantage plans with confusing words, imagery or logos. The rule also would ban ads that don't specifically mention a health insurance plan by name. Credit: AP Photo/Evan

Vucci, File

The Biden administration on Wednesday proposed a ban on misleading ads for Medicare Advantage plans that have targeted older Americans and, in some cases, convinced them to sign up for plans that don't cover their doctors or prescriptions.

The rule, proposed by the Centers for Medicare and Medicaid Services, would ban ads that market Medicare Advantage plans with confusing words, imagery or logos. The new regulation would also prohibit ads that don't specifically mention a [health insurance plan](#) by name.

It's an aggressive step to tackle a growing problem in the Medicare Advantage marketplace, a booming business that offers privately run versions of the government's Medicare program for people who are 65 and older or have disabilities. Nearly half of all Medicare enrollees—about 28 million—are now turning to Medicare Advantage plans.

And some have been deceived by television commercials, online ads and mailers put out by the marketing agencies and brokers that some insurers have hired to win over customers.

The proposed rule "takes important steps to hold Medicare Advantage plans accountable for providing high quality coverage and care to enrollees," said agency Administrator Chiquita Brooks-LaSure in a statement.

The problem has become so pervasive that CMS agents have been secretly shopping for plans by calling the phone numbers in advertisements, finding in some cases that brokers have overstated the

benefits that enrollees would get and the money they would save in the new plans. Democrats on the Senate Finance Committee released an investigative report last month showing that several states also reported an increase in complaints about deceptive marketing schemes in 2021.

The committee's investigation found that [older adults](#) in Ohio, for example, were sent mailers resembling federal government tax forms promising bigger Social Security checks if they enrolled in a new Medicare Advantage plan. Nationwide TV commercials featuring celebrities have also misled some customers by telling viewers they'll get "money back to your Social Security check" but fail to mention that the plans they're selling vary by ZIP code or don't cover all providers.

"These proposals are an important step towards protecting seniors in Medicare from scammers and unscrupulous insurance companies and brokers," the committee chairman, Sen. Ron Wyden, D-Ore., said in a statement on Wednesday.

The federal agency on Wednesday also proposed regulations that would establish new wait-time standards for mental health providers that are in-network for Medicare Advantage plans. The standards would recommend that enrollees be able to access mental health care appointments within 10 days.

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