



CONSUMER ALERT

810 FIRST STREET, NE, SUITE 701 | WASHINGTON, DC 20002 | WWW.DISB.DC.GOV

Overview of Medicare and Predatory Sales Practices

The District of Columbia Government encourages resident Medicare beneficiaries to make informed decisions without being pressured into choosing a Medicare policy.

Medicare is a federal health insurance program for people 65 and older or people of any age with disabilities. Individuals enroll in Medicare through the Social Security Administration. Many people choose private plans to supplement the benefits that Medicare does not cover. Other individuals purchase a private plan called Medicare Advantage.

While most agents that sell Medicare products are honest, be aware that some agents who sell Medicare Advantage policies use questionable tactics to sell the products as listed below:

- Remove beneficiaries from traditional Medicare without their knowledge.
- Mislead beneficiaries to believe that there will be no new costs and that their doctors or hospitals will accept their plan.
- Enroll beneficiaries in plans they cannot afford.

Predatory Practices in the Sales of Medicare Products

This Consumer Alert outlines below some of the predatory practices taking place and provides an overview of guidelines associated with the sale of Medicare products:

- Be cautious about people claiming to work for Medicare. Representatives for Medicare do not make home visits or solicit sales by telephone.
- If a person comes to your home without being invited, do not let them in your house.

- Do not listen to people who say Medicare is free. Premiums are paid for the health insurance product.
- Be leery of a person who says enrollment in Medicare Advantage will not affect Medicare. This is not true.
- Do not switch plans immediately because an agent tells you that your plan's rates are going to increase.

What Agents Can Do!

Agents ***can*** market Medicare products (Medicare Advantage Plans or Medicare Prescription Drug Plans) by:

- Distributing information and forms in a retail setting or participating at a health fair or promotional event.
- Meet Medicare beneficiaries in their homes, if invited.
- Give potential enrollees gifts of nominal value for attending a marketing presentation.
- Call potential enrollees following federal and state calling standards and the FTC Telemarketing Sales Rules/DO-Not-Call Registry.
- Comparing the benefits of more than one Medicare product.

What Agents Cannot Do!

Agents ***cannot*** market Medicare products by:

- Use of high-pressure sales tactics.
- Solicitation of Medicare beneficiaries door-to-door.
- Sending unsolicited e-mails.
- Giving sales presentations or obtaining names, addresses and enrollment applications at a health fair or promotional event.
- Inducing a person to purchase or change their health insurance by making misrepresentations or omitting information about various Medicare products.
- Using fraudulent or dishonest practices.

For More Information

*The District of Columbia Department of Insurance, Securities and Banking (DISB) works for consumers to prevent fraudulent, deceptive, and unfair business practices in the marketplace and to provide information to help consumers spot, stop, and avoid them. **To get free information on consumer issues, visit www.disb.dc.gov or call (202) 727-8000. To file a complaint with the Federal Government Medicare Appeals and Grievance Program click: <http://www.medicare.gov/basics/appeals.asp> or call 1-800-Medicare (1-800-633-4227)***