



SCAMMERS TAKE ADVANTAGE OF HEALTH REFORM **Commissioner Karen Weldin Stewart Warns Delawareans to be on Alert**

Consumers searching for health insurance coverage since the passage of the Patient Protection and Affordable Care Act of 2009 (PPACA) should be on the lookout for scammers hoping to take advantage of the confusion surrounding the details of the new law. The Delaware Department of Insurance ("DOI") is receiving complaints about scam artists going door-to-door selling "ObamaCare" insurance policies or claiming there is a limited open-enrollment period to buy health insurance. Some of these scam artists have even set up bogus toll-free numbers to sell policies.

DOI warns consumers who have been offered a policy that is a "limited-time offer," has limited benefits or is advertised as necessitated by health insurance reform, to STOP before making a payment, CALL their state insurance department and CONFIRM the policy, agent and company are legitimate.

No Immediate Changes

While there are many changes coming in the health insurance marketplace, there are no provisions in the PPACA that require consumers to make immediate modifications to their health coverage. Many of the initial changes will go into effect six months from when the law was signed by President Obama - or September of this year. Until then, state insurance regulators, the National Association of Insurance Commissioners ("NAIC") and the federal government are working on implementing the changes. This means designing and putting into place at the state level many of the new consumer programs and regulations.

Don't Be Misled

Here are some important "red flags" to watch out for:

- The agent or salesperson says the premium offer is only good for a limited enrollment period.

There is no open enrollment period currently associated with the new health care law, so if the salesperson is pressuring you to buy the policy because the price or option is only good for a short time, be wary. Before you write a check or sign a contract for one of these policies, call your state insurance department to make sure the insurance company and agent are licensed in your state. And carefully read the contract to make sure you understand the coverages and limitations of the policy.

- The agent or salesperson says the coverage is necessitated or required by the health care reform law.

You may have heard that all Americans will be required to purchase health insurance under the new law, but this requirement does not go into effect until 2014 for most people. If an agent or

salesperson implies you have to purchase coverage now, stop and call your state insurance department.

- The agent or salesperson doesn't explain the coverages included in the policy or does not provide a full list of the coverages.

Limited benefit health insurance plans are a legitimate health insurance offering from many insurance companies, but some agents or salespeople may not be fully explaining the limits to these policies. These bare bones policies typically have lower premiums, but they only cover specific expenses and have many more limitations than a comprehensive medical plan. These plans also have higher co-insurance percentages, co-payments and deductibles than comprehensive plans. These types of policies also have low maximum benefit limits called "caps," so it may be possible for you to reach your cap quickly, leaving you responsible for the balance of the bill. If you are considering a limited benefit health insurance plan or a high deductible health insurance plan in conjunction with a Health Savings Account (HSA), get smart before signing the contract.

- The agent or salesperson claims the coverage will be "grandfathered" or exempted from changes required by the health care reform law.

Only policies purchased before President Obama signed the PPACA on March 23, 2010, will be "grandfathered" or exempted from changes required by the law. Any policy purchased now must comply with all of the changes required by the bill to satisfy the individual mandate in 2014. If an agent or salesperson claims otherwise, stop and call your state insurance department.