

**NAIC Senior Issues Task Force  
State Survey on Medicare Marketing issues  
Preliminary results - Updated 6/1/07**

The National Association of Insurance Commissioners (NAIC) Senior Issues Task Force conducted a survey during April 2007 of state Departments of Insurance about complaints they have received regarding Medicare marketing concerns since January 1, 2006. Below is a preliminary summary of the results received to date.

Please note that responses differ widely by state. About 1/3 of State Health Insurance Assistance Programs (SHIPs) are housed within the Department of Insurance, so states with SHIPs tend to receive many more complaints. Also, since states are largely pre-empted with regards to Part D and MA, states differ widely in whether or how they track these types of complaints -- some states did not provide any responses because they do not track these complaints at all. The Task Force is also continuing to receive results from states, so these figures are preliminary.

**We have received surveys from 46 state Departments of Insurance so far** (including Puerto Rico and the District of Columbia).

- **The following are in response to direct questions:** (Note: The vast majority of the states that did not respond affirmatively to any of the first three question largely responded NO to every question on the survey, or responded that they did not track such information and could therefore not respond.)
  - 41 states reported that they had received complaints about agent/broker or company misrepresentations in marketing/sales (including misrepresentations about provider networks, provider acceptance, benefits, premiums, etc). Most common seem to involve PFFS plans incorrectly stating that they accept all providers or otherwise misrepresenting the provider network.
  - 33 states reported that they had received complaints about cross-selling (using Part D to sell other products, including MA, annuities, funeral, life, etc).
  - 39 states reported that they had received complaints about inappropriate or confusing marketing practices leading beneficiaries to enroll in MA plans without adequate understanding of what they were signing up for. This includes believing they were signing up for a PDP or a MedSupp plan.
  - 24 states reported that they had received complaints regarding fraudulent activity. (i.e., beneficiaries with no contact with an agent at all, but then were somehow enrolled, or signatures were forged, improper obtainment or use of personal identification information, etc.)
  
- **The following questions were not asked directly (so a reference is only made if a state included it in their anecdotes, and varies depending on how full a response a state provided). State voluntarily cited the following:**
  - 15 states reported mass enrollments at senior living facilities / nursing homes /assisted living facilities, etc.
  - 11 states reported they had seniors who thought they were signing an information form or asking for more information, and they were suddenly enrolled in an MA

plan. (This sometimes seemed to occur at mass enrollments or health fairs, but also at regular appointments with agents, and other scenarios). In some cases agents asked beneficiaries to fill out information preliminarily while they were deciding and to call them later, and they were subsequently just enrolled without permission.

- 8 states reported they had complaints about agents posing as being from Medicare or from Social Security.
- 6 states reported cold calls.
- 13 states reported complaints about door to door sales.
- 2 states said they had agents use inappropriate gifts.