

Second state survey on Medicare marketing issues
Results, updated 02-05-08

The National Association of Insurance Commissioners (NAIC) Senior Issues Task Force conducted a second, follow-up, survey during January 2008 of state Departments of Insurance about complaints they have received regarding Medicare marketing concerns since January 1, 2007. Below is a preliminary summary of 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 Departments 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. The Task Force may update these results as appropriate.

36 states (including DC and Puerto Rico) responded to this survey. Of those states,

- 34 states reported complaints about Agent/Broker or Company misrepresentations in the marketing and sales of Medicare private plans (i.e. misrepresentations about provider acceptance, networks, benefits, cost-sharing, etc). [Last year's figure was 41 out of 46 states]
- 21 states reported complaints about cross-selling (using Part D as a pre-text to selling other types of plans) [Last year's figure was 33 out of 46]
- 32 states reported complaints about inappropriate or confusing marketing practices leading beneficiaries to enroll into an MA plan without fully understanding consequences of leaving traditional Medicare. [Last year's figure was 39 out of 46]

- 25 states reported complaints involving door-to-door sales. [*]
- 19 states reported complaints involving fraud. [Last year's figure was 24 out of 46]
- 10 states reported complaints involving unlicensed agents. [*]

When asked whether there has been an improvement or worsening of the situation in the market since 7/2007,

- 18 states responded that there has been an improvement.
- 2 states responded that the situation was worse.
- 14 states responded that the situation was about the same, or that there was no noticeable improvement or worsening. (In some cases states believed it was too early to tell).

When asked whether states that have signed the MOU have received information from CMS, pursuant to the MOU:

- 29 states said they had received such information
- 4 states said they had not received such information

When asked whether there has been an improvement in state/federal communication with CMS since January 2007,

- 21 states said there has been an improvement in communication.
- 11 states said there has not been any significant improvement in communication.

* The asterisk notes that this question was not asked directly in last year's survey.