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Health Insurance Scams

People are known to exploit misunderstandings about health care laws and standards in many ways. They may advertise on hand-lettered signs, post ads on Internet sites, have a booth at a health fair, or go door-to-door or hand out information in public places. They may be completely false or phony, or they may give out a toll-free number that is not real or legitimate. **Be very careful because scammers are after your money.**

How to spot a scam

The best way to avoid a scam is to sign up for insurance at work, or at your spouse or parent's workplace, if you're eligible. If not, shop for your insurance at your state Marketplace. Start at www.healthcare.gov¹ or call 1-800-318-2596.

If you want information about non-marketplace plans, be suspicious of very low premiums, a push for you to sign up today, and very aggressive sales people. They may try to get around your questions, and often don't have the full policy details in writing. Some offer you coverage only if you join an association, union, or other group.

These plans may have different names like: **medical discount plans, affordable plans, supplemental plans, or premium plans**. They may also have other hidden administrative fees or extra charges.

Here are some tips to help you protect yourself from would-be scams and identity theft:

- Don't give money, but especially don't give out credit card information, birth dates, Social Security numbers, or bank account numbers unless you are sure exactly who you are giving it to and what you're getting.
- Ask for a plan that covers required essential benefits under the Affordable Care Act.
- Check out any association you have to join to get insurance – go online, be sure

they have a US address and phone number, and find out if they have any legitimate activity besides selling insurance.

- Call your state insurance department (see below) to be sure the plan is licensed in your state. Also ask if the plan has had complaints made against it.
- Finally, check with your doctors, your pharmacist, and any facilities you use, to be sure they accept the plan you're considering.

If you do accidentally sign up with one of the fraudulent companies, you might not get an insurance card and policy for some time after you sign up, if ever. And when you file a claim, there may be no response or a very slow response; when you call they might explain it's a glitch or processing error – if they answer at all. If this has happened to you, contact your state Insurance Commission. (In some states, it's the Insurance Department).

Find your state's Insurance Commission by contacting the National Association of Insurance Commissioners online at https://naic.org/state_web_map.htm², or you can call them at 1-866-470-6242. Once you get your state's Insurance Commission contact information, you can report the name and contact information of the company, along with the problems you're having and what you have tried so far.

Types of health insurance scams

A common tactic is to offer a **stripped-down insurance policy** that doesn't meet the law's requirements for covering major illness. These policies are cheap because they make you pay for most of your own health care. By the time you find out you have a serious illness it may be too late to get real coverage.

Another way is to offer a **medical discount card** or **discount plans** that give you minor discounts but leave the big payments up to you. Sales people might call this "coverage" or "protection," but it's neither. They may also mislead you into thinking that you get a percentage of discounts for healthcare services. **Discount plans are NOT health insurance.** They often have monthly fees and a limited provider network. Discount plans also exclude routine health services such as surgery, chemotherapy, imaging tests, radiation, preventive care.

Some others may offer completely **fake health insurance**. The sales person takes your money and gives you a piece of paper. They may promise lower rates if you buy right now. They may say that they're "required" to offer this great, low-cost coverage by the Affordable Care Act or "Obamacare". Sometimes scammers say that it's government-sponsored insurance or that they work for the government. (No government agency will

ever call you to sell you insurance.) Or they'll use a well-known insurance company's name, even though they don't work for the company.

It's also important to beware of people who offer **fake health care services** and tell you they can bill your insurance. These people may try to talk to you out in public, at health fairs, or other places. They may pretend to be health care providers or may falsely tell you their company can legitimately bill your insurance. They may ask for your health insurance cards, Social Security number, or doctor's name to make them seem legitimate.

Some fraudsters go to great lengths to create **websites that look just like official marketplace websites**. These sites are made to fool people into thinking they are on an official marketplace site. They may offer anything from fake health insurance to a policy that doesn't cover serious illnesses. Be sure you are on [healthcare.gov](https://www.healthcare.gov)³, your state's [official Marketplace website](#)⁴, or a site that links directly from it before you enter any personal information.

Federal government employees will never call you to sell you insurance or update your insurance. If anyone calls you and says they're from the government and they need personal information, fall for it!

Identity theft scams

Scammers may exploit you by trying to get your personal, health, and financial information for identity theft. Some might even call and pose as government workers looking to "update" your information, asking for your date of birth, Social Security number, or bank account numbers. According to the Federal Trade Commission, federal government employees never call you to update your insurance data.

If you get a call from someone who says they're from the plan you chose and they need more information, never give it unless you are absolutely certain of who is on the phone. **Contact your plan directly to see if they called.** (You can get your plan's toll-free phone number by calling 1-800-318-2596 or by going to www.healthcare.gov⁵.)

If you suspect a call is from a scammer, get as much information about them as you can (phone number, company they say they work for, and the name of the caller). Then call 1-877-FTC-HELP (1-877-382-4357) or notify the FTC online at <https://identitytheft.gov>⁶.

Hyperlinks

1. <http://www.healthcare.gov>
2. naic.org/state_web_map.htm
3. www.healthcare.gov/
4. marketplace.cms.gov/technical-assistance-resources/c2c-roadmap.pdf
5. www.healthcare.gov/
6. identitytheft.gov/

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