

Good morning Senator McCaskill. I thank you for the opportunity to share my experiences regarding Medicare Advantage marketing issues.

I am Rona McNally, Project Manager for the Missouri SMP, a statewide program empowering seniors to prevent Medicare and Medicaid error, fraud, and abuse, funded by the U.S. Department of Health and Human Services Administration on Aging. We partner with the Missouri Alliance of Area Agencies on Aging to provide education and advocacy for Missouri seniors.

The implementation of Medicare Part D coincided with the statewide availability of Medicare Advantage, increasing the monumental task of ensuring that all people with Medicare understand the choices that are available to them. This increased beneficiaries' vulnerability to very aggressive sales tactics.

Prior to the approved date that marketing activities could begin, aggressive sales practices were already apparent. Insurance agents were requesting opportunities to present educational seminars at senior centers, pay for lunches, and volunteer for programs, stating that they are representatives of Medicare or mandated by Medicare to do outreach and education. When these efforts failed, agents attended presentations given by area agency on aging staff in order to provide information regarding the plans they represent.

Free meals are one of the tactics used by salespeople. Seminars are offered at local restaurants in order to educate seniors about new Medicare benefits. I attended one such meeting. The representatives provided information about investments, insurance plans, and told about the helpful resources they could offer. However, the information and resources were not available at the meeting. In order to receive any information, an agent would need to visit them at their home.

We have noticed that the calls are often the same, regardless of the area of the state they come from. Common calls include:

- Seniors receive a call from a person claiming to be with Medicare stating that someone needs to come to their home to discuss their benefits. Many seniors report the caller to be very insistent and, at times, rude or threatening.
- Placing a call to an insurance company with the intention of purchasing a prescription drug plan, but eventually discovering that they have enrolled in a Medicare Advantage plan, or being convinced that a "free" Medicare Advantage plan would be better for them. This is frequently discovered when a person visits their physician's office, only to find that the physician won't accept the plan's payment.
- Agents came to the door unexpectedly and state he or she is with Medicare and need to speak to the resident about their Medicare benefits. Most report that they believed the plan to be a supplement to Medicare, a Medicare prescription plan or a specific plan to pay for vision, dental and hearing services only.
- Agents have visited senior housing apartments and complexes, often going door-to-door or hosting bingo games with prizes. Residents are then switched to a Medicare Advantage plan.

People receiving both Medicare and Medicaid benefits, known as dual eligibles, are prime targets for sales representatives, as they are able to change plans one time per month all year long. Agents will change these individuals from plan to plan, called “churning.” It happens so many times that most often an individual is unable to inform us of which plan he or she is currently enrolled in. At one point, an agent had “churned” an individual so many times that the agent himself called our office for help. Plan information is shared through databases, and the client had been switched from plan to plan so many times that the databases were not matching information and the pharmacy database was showing that the client had no drug coverage. It took us four days to unravel the situation and provide her access to prescription coverage.

A lady from the senior housing complex in our town received a call one day at approximately 11:00 a.m. from someone stating that he needed to come by her home to discuss her Medicare and Medicaid benefits with her at 2:00 that afternoon. She called my office with questions and concerns and I agreed to come to her apartment to be with her during the visit. A young man came to her door, sat down in her living room and proceeded to inform her that he had a plan for her that would provide her with vision, dental, and hearing coverage at no cost to her. The resident questioned him as to how his company could afford to provide those benefits to her at no cost. He replied that the government pays them very well to provide the benefits, and besides, he would enroll her in this policy, build a trusting relationship with her, and then sell her a life insurance policy. I asked the agent to leave materials behind for her to discuss with her son and stated that she had questions she needed answers to before making this commitment, such as whether her doctor would accept this plan. The agent wanted us to get the phone right away and he would call for her. When he finally left her apartment, she stated that she did not know what she would have done if she had been alone, she felt so pressured.

These circumstances often come between people with Medicare and their access to healthcare. For example, we assisted one lady who relies on weekly knee injections to be able to walk. She had not been able to receive the injections for about four weeks because her physician would not accept the Medicare Advantage plan she had enrolled in, however the agent that sold her the plan assured her that all providers accept the plan.

I thank you for this opportunity to share with you the experiences and concerns that have been expressed to us. I welcome the opportunity to answer any questions you may have.