

New Rules Aim to Rein in Deceptive Medicare Advantage Advertising

We've all seen the splashy TV commercials with Joe Namath or William Shatner promising you the world if you call a 1-800 number and opt for the Medicare Advantage plan they are hawking: Free meals, free gym memberships, free dental coverage and a bunch of other goodies that Original Medicare doesn't cover.

The problem is, while these blasts from the past are getting paid millions for promoting a Medicare Advantage plan they never tell you the name of, many of the promises are too good to be true.

As a result of so many people being duped, the Centers for Medicare and Medicaid Services recently finalized regulations that are aimed at cracking down on misleading marketing "schemes" by health insurance companies that offer Medicare Advantage plans.

These ads are often misleading and confusing and many people are surprised to find out (after the fact) that the plans don't pay for everything they expected them to.

For example, while a plan may offer "a free dental," it will only cover check-ups and teeth cleaning, while leaving the enrollee to pay full price for other dental work.

As well, many of these ads look official and may lead people to believe that they are reaching the federal government when calling the number on the screen or in a print ad.

"We've heard from many seniors and people with disabilities about misleading and confusing advertising for Medicare Advantage and Part D plans," Meena Seshamani, CMS director of the Center for Medicare, said when the rule was announced on April 5.

The regulation "includes changes to protect people exploring Medicare Advantage and Part D coverage from confusing and potentially misleading marketing practices," the director said.

The new regulations:

- Prohibit overly general ads about the Medicare Advantage program that often tend to confuse and mislead those individuals who are eligible to apply for some of these insurance plans.
- Require that commercials for Medicare Advantage must specify the name of the plan they are advertising.
- Prohibit marketers from using the Medicare name, the CMS logo and any products or information issued by the federal government in a manner that is misleading.
- Prohibit the use of superlatives — for example, words like "best" or "most" — unless the data source is also referenced in the material and it is from the current or prior year.
- Prohibit marketers from advertising benefits that are not available to beneficiaries in the service areas where the marketing appears.
- Bar marketing that promotes the savings available to potential enrollees that are based on a comparison of the typical expenses borne by uninsured individuals.

- Require marketers to specifically tell members the consequences on their current plan of enrolling in the plan(s) being offered.

The takeaway

As always, be wary of TV commercials promising you a boatload of freebies if you switch to a certain Medicare Advantage plan.

The new rules take effect Sept. 30, 2023, just before Medicare's Annual Open Enrollment season starts. But don't call an anonymous telemarketer at a toll-free number if you want personal service and advice.

When you call us, you'll get unvarnished advice about which plan may be best for you. We won't try to sell you on a plan with a bunch of useless bells and whistles, or additional services that may not be covered by the insurance.

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