

SENIOR CITIZENS LAW OFFICE

MEDICARE, THE AFFORDABLE CARE ACT, AND SCAMS

1. Is Medicare being replaced by the Affordable Care Act?

No! Medicare remains and is **not** replaced by the federal Affordable Care Act.

2. What is a Health Insurance Exchange?

Also known as a Health Insurance “Marketplace,” the Health Insurance Exchange (HIE) is a new system --- authorized by the Affordable Care Act ---through which individuals and employers can purchase health insurance coverage. Special financial assistance for premium and cost-sharing is available for insurance purchased through HIEs.

3. Do People With Medicare Have to Purchase New Insurance?

NO! There is a lot of misinformation going around falsely saying or suggesting that Medicare beneficiaries have to purchase new health insurance. Beneficiaries are **not** required to purchase new health insurance, through a HIE or from any other source. No tax penalty or fine will be imposed on Medicare beneficiaries. And, the financial help with insurance purchased through a HIE is *not available* to people who have Medicare.

4. Are Beneficiaries Still Able to Enroll With Medicare Advantage Plans and Medicare Drug Plans, and Purchase Medigap Insurance?

YES! Medicare beneficiaries’ rights to choose those options have not changed. Again, information you may have ‘heard’ to the contrary is untrue. We do however strongly recommend that you learn how these options work, to make informed choices.

5. Will “Medigap” Policies Be Sold Through HIEs?

NO! “Medigap,” formally known as Medicare Supplemental Insurance, is a special, highly regulated form of insurance Medicare beneficiaries can purchase, which mainly covers various portions of Medicare deductible and coinsurance costs beneficiaries can incur when services are covered. Medigap policies must be purchased directly from companies that sell them, not through HIEs.

6. Why Have Many Medicare Beneficiaries Heard That They Must Buy New Health Insurance?

It is possible that some misinformation is based on insufficient information or confusion about Affordable Care Act requirements. However, much misinformation has been intentionally disseminated by individuals and organizations opposed to the Affordable Care Act (“Obamacare”), as well as despicable scammers and unethical insurance salespeople. Everyone, not just Medicare beneficiaries, needs to be wary of current sales pitches for private health insurance purchases.

7. Should People with Health Insurance Purchased on an HIE *Nearing* Medicare Eligibility Learn About Transitioning to Medicare?

Yes. It has long been the case that people approaching Medicare eligibility should be aware of what is involved in transitioning to Medicare. For example, it has always been important for individuals to learn how *any* health coverage they have will work with Medicare. However the advent of HIEs, and new Medicaid coverage for adults under 65, will raise new issues for individuals who *have* coverage through an HIE or Medicaid. Our FACT SHEET entitled “**Transitioning Between Medicare, HIEs, and Medicaid**” addresses those issues.

PROTECT YOURSELF FROM ACA SCAMS



If you are on Medicare:

- You do not need a new Medicare card.
- You do not have to purchase insurance through a health insurance exchange.
- Do not give out your social security number, bank account number or other personal information to unsolicited callers.
- If someone calls, emails, or texts saying that they are from the government, it is a scam.

Report scams to the FTC at 1-877-382-4357

Senior Citizens' Law Office, Inc.
4317 Lead Ave. SE, Suite A
Albuquerque, NM 87108
(505) 265-2300
www.sclonm.org

Senior Citizens' Law Office is funded in part by the City of Albuquerque Area Agency on Aging, New Mexico Supreme Court's IOLTA Program, and the New Mexico Civil Legal Services Commission, New Mexico Commission on Access to Justice. Revised 10/03/13

The material provided in this brochure is general information. This information is not intended as a substitute for specific legal advice.