

FOR IMMEDIATE RELEASE
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**DMHC Bars Unlicensed Health Insurance Agent from Selling
Medicare Advantage Plans**
*Director Offers Tips to Avoid Deceptive, Misleading and Aggressive Sales Tactics
Illegal under California Law*

(Sacramento) – The California Department of Managed Health Care (DMHC) has issued an order barring the president of Brawley Insurance Services, Inc., from soliciting or selling any of the products offered by licensees of the DMHC. Hussein Osman Ali of Fresno was denied an agent’s license due to a previous criminal conviction and for having recently pled guilty to a Federal criminal indictment alleging conspiracy to commit bank fraud. Despite his unlicensed status and criminal conviction, Ali sold Medicare Advantage plans to California consumers in violation of state law, according to an investigation that was prompted by a complaint referred to the DMHC.

“Protecting elderly and vulnerable Californians from falling victim to deceptive or fraudulent sales scams is a priority for DMHC,” said Brent A. Barnhart, Director of the DMHC. “As a result of unscrupulous tactics, consumers may lose their medical coverage and much-needed health care services or prescriptions.”

Deceptive marketing of Medicare Advantage products to seniors and others eligible for both Medicare and Medi-Cal is a relatively new phenomenon in California and the nation. Since 2008, the DMHC has received hundreds of complaints from Medicare eligible consumers, who may have been switched to products they didn’t want, didn’t need or were inappropriate for their specific situation. Some seniors were unknowingly switched from their traditional Medicare coverage which sometimes caused them to incur additional costs, interruption in, or even loss of their medical care.

The DMHC has taken action against 20 other Medicare Advantage solicitors who allegedly took advantage of elderly people by misrepresenting the benefits offered. The public is encouraged to contact the DMHC with complaints and information regarding inappropriate sales tactics of these products.

Medicare Advantage plans are authorized by Medicare and offered by private insurance companies to provide all Medicare-covered health services to beneficiaries who enroll in these plans. Medicare Advantage plans may offer additional benefits above those provided by traditional Medicare, such as vision and dental care.

Although the DMHC does not license insurance agents, state law allows the department to bar an agent from selling certain products if it is determined that an agent makes misrepresentations to consumers or acts in a

(more)

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manner that may expose them to substantial risk. The DMHC director may also bar a convicted felon, such as Hussein, from selling any product licensed by DMHC.

As the annual open enrollment period for Medicare Advantage plans begins on October 15, consumers need to be informed how to distinguish between legitimate plans and appropriate sales tactics and those which may be deceptive. To that end, the DMHC is offering tips contained in a “Consumer Alert about Medicare Scams”, with recommended actions that senior citizens and others can take to avoid deceptive health care marketing schemes:

- Do not give personal information, such as Social Security numbers, bank account numbers, or credit card information.
- Be wary of unsolicited calls or visits at home, or an approach by someone at your doctor’s office, pharmacy or hospital.
- Do not take calls from someone claiming to be from Social Security or Medicare.
- Read and understand the health plan information.
- Consult family and friends before purchasing any health plan.

Persons with questions or complaints about Medicare Advantage plans should contact the DMHC’s Help Center at 1-888-466-2219 or at www.healthhelp.ca.gov.

The California Department of Managed Health Care is the only stand-alone HMO watchdog agency in the nation, touching the lives of more than 21 million enrollees. The DMHC has assisted more than one million Californians to resolve their health plan problems through its Help Center, educates consumers on their health care rights and responsibilities, and works closely with health plans to ensure a solvent and stable managed health care system.

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