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Wyden Statement at Finance Committee Hearing on Protecting Seniors from Marketing Middlemen During Medicare Advantage Annual Enrollment

As Prepared for Delivery

This morning the Finance Committee gathers to discuss an emerging trend in Medicare Advantage – marketing middlemen.

There is a long history of rip off artists in the private sector trying to take advantage of seniors who depend on their flagship health program, Medicare. Since I served as the director of the Oregon Grey Panthers, something like a year or two ago, these unethical salespeople would often sell seniors 10 to 15 separate, unnecessary Medigap policies that weren't worth the paper they were written on. Senators Daschle, Heinz, Dole and I came in and drained that swamp.

The same thing happened at the start of Medicare Advantage. In this Committee, Chairman Baucus held a hearing on Medicare marketing because scammers were going door-to-door while wearing white coats and stethoscopes around their necks to enroll seniors into these new plans. We got some protections then, but it still hasn't been enough.

Last fall, I released a report that detailed some of the most egregious marketing practices that I've seen in Medicare Advantage – like vans parked outside senior centers with "MEDICARE" splashed across the side and mailers designed to look like IRS documents. Many members of this committee joined Senator Casey and I in calling on CMS to make changes to protect beneficiaries from these slimy tactics, and CMS delivered. Just yesterday it was reported that CMS rejected more than 300 ads because they were so deceptive and misleading.

At this time, it's not possible to take any victory laps. As seniors experience Medicare's Annual Open Enrollment - which started 72 hours ago - our investigators have found marketing middlemen are the latest sleazy set of private sector scoundrels targeting seniors on Medicare Advantage. These bad actors are gearing up for this new enrollment period.

So who are these marketing middlemen and why are they so prevalent in Medicare Advantage?

They are big private marketing companies in the middle between seniors and their coverage. These big marketing companies are jumping to get in front of seniors during Annual Open Enrollment. These

middlemen hijack personal information from as many seniors as possible and then they funnel this personal information to the health insurance plans that pay these sleazy marketers the most. Basically, it's "profit for us first, help for seniors and taxpayers last."

Sometimes seniors' information gets passed multiple times from one money grubbing hand to another. The marketers will sell seniors' data once. If they can, they'll sell it twice. If they can, they'll sell it as many times as possible. The wheel of deceit goes round and round. And seniors are the ones left getting badgered by phone, targeted on the internet, stuck with mountains of mail – and ultimately, a plan that might not be the right fit for their health needs.

To sum it up: these marketing middlemen have made seniors their product and they are trying to sell as much as they can.

And what's more, it's your taxpayer dollars that are lining these middlemen's pockets. In fact, insurance experts have estimated that marketing costs taxpayers at least \$6 billion in 2022 alone. Let that sink in, folks. Six billion taxpayer dollars went to marketing middlemen who may have sold your elderly parents, grandparents, and neighbors the wrong plan.

It's a rip off, and it's got to stop. And that's why I have my investigators launching an inquiry into these slimy practices.

I want to share one last thought on strengthening the Medicare Advantage program – we've got to stamp out Ghost Networks. In May, our investigators looked at a cross section of mental health plans across America. They contacted these plans' providers and asked if they could get an appointment for a member. They could only get an appointment 18 percent of the time. Even if a senior can make an appointment with a provider, they may be exposed to extra costs if the provider was out-of-network.

Knowing if your doctor is in-network is an essential piece of information when you enroll in a plan and when you are looking for health care. That's why I joined Senators Bennet and Tillis in introducing the REAL Health Providers Act to make sure provider directories in Medicare Advantage are up-to-date and accurate. This is something we should all be able to get behind.

In closing, I want to explain that this is part of an effort in this Committee to reduce middlemen from health care. We spend \$4 trillion a year on health care and sleazy middlemen need to be rooted out. We've already begun with PBMs. I want to thank our witnesses for testifying today at this Finance committee hearing. I look forward to our discussion.

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