

THA Capstone Project	Impact of Deceptive Marketing on Patients' Medical Bills from Alternative Health Products
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Purpose	Advocate for legislation to protect consumers by reducing misleading information and creating a more transparent and equitable healthcare market
Statement of Need	<p>Reports from Texas consumers and research show that people must wade through an alarming amount of misleading and deceptive information in the market for alternative health coverage products. A 2020 Government Accountability Office (GAO) report found that 25% of “secret shoppers” received inaccurate information about coverage in order to sell a certain plan. It is especially concerning that some of these alternative plans are relying on telemarketing and deceptive scripts to obscure limited coverage or falsely imply compliance with the Affordable Care Act. The fact that these plans are refusing to provide written details about benefits until after a consumer has already signed up and paid is highly problematic. It places an unfair burden on hospital case managers and patient navigators who must contend with patients lacking comprehensive coverage, while also stretching already limited social resources. Additionally, patients themselves are left with the burden of massive charges that they cannot afford.</p>
Considerations	<p>The GAO conducted 31 covert tests on selected sales representatives by stating that their undercover agents had pre-existing conditions, such as diabetes or heart disease, and requested coverage for these conditions to determine if the sales representatives would direct them to a comprehensive PPACA-compliant plan or a PPACA-exempt plan that does not cover their requested conditions. During the tests, the GAO also assessed if the sales representatives engaged in potentially deceptive practices, such as providing false or misleading statements about coverage or omitting material information about coverage.</p> <p>Specific deceptive practices encountered included:</p> <ul style="list-style-type: none"> ● falsely claiming coverage for pre-existing conditions ● refusing to provide plan information in writing ● falsely claiming coverage for certain benefits like emergencies and prescription drugs

	<ul style="list-style-type: none"> ● providing inaccurate out-of-pocket cost information for services ● falsely claiming that a person's specific pre-existing condition would not be considered a pre-existing condition under the plan.
<p>Plan</p>	<p>Policymakers and regulators have a critical role to play in protecting consumers from deceptive practices in the alternative health coverage market. This may involve implementing stronger regulations and enforcement mechanisms to ensure that insurers are providing accurate information about their plans and are not engaging in misleading or deceptive marketing practices.</p> <p>Punishment for those who engage in such practices is also necessary to deter future wrongdoing and ensure accountability. This could include fines, license revocation, or other penalties.</p> <p>At the same time, it is important to provide consumers with better education and resources to help them make informed decisions about their health coverage options. This involves improving access to information about different health plans and their benefits, as well as providing guidance on how to avoid deceptive marketing tactics.</p> <p>Overall, a multi-pronged approach is needed to address the issue of misleading and deceptive marketing practices in the alternative health coverage market. By working together, policymakers, regulators, and consumer advocates can help ensure that consumers are able to make informed decisions and access the quality, affordable health coverage they need.</p>
<p>Stakeholders</p>	<p>State of Texas Legislation Texas Medical Facilities Texas Hospital Association</p>