

**FOR IMMEDIATE RELEASE**  
March 17, 2010

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**DMHC Issues Sanctions Against Predatory Health Insurance Agent**  
*Aggressive and deceptive sales practices illegal*

**(Sacramento)** – The California Department of Managed Health Care (DMHC) has issued sanctions to a health insurance agent who deceived vulnerable elderly consumers into dropping their current coverage and enrolling in a Medicare Advantage Plan inadequate for their needs, causing them to incur thousands of dollars of medical bills.

Deceptive marketing of Medicare HMO products to senior citizens is a growing problem in California and across the nation. In April 2009, the DMHC began receiving complaints from elderly Medicare recipients who claimed they had been subjected to deceptive marketing of Medicare HMO products. State law allows the DMHC to protect consumers from Medicare marketing fraud and allows for sanctions if it is determined that a solicitor makes misrepresentations to enrollees or acts in a manner that may expose enrollees to substantial risk.

“It is vital that we protect healthcare consumers from vicious insurance agents who willingly commit fraud and violate the law for their own financial gain,” said Cindy Ehnes, Director of the DMHC. “We must act to prevent innocent senior citizens from being intentionally conned out of their existing coverage.”

The DMHC has suspended Stuart Chesler of Marina Del Rey as a solicitor of Medicare Advantage plans for a period of one year. Chesler marketed Medicare Advantage plans to Medicare enrollees using deceptive sales tactics, and misleading them about the benefits they would receive from the plan.

For example, Chesler used aggressive and abusive sales tactics to intimidate at least five elderly Medicare enrollees to switch to the plan he was marketing. He sold coverage to one couple, 89 and 92-years old, telling them that he was from Medi-Cal and that they “needed” to sign up for the new

**(more)**

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plan. Because they were unaware that their doctors were not a part of the new network, they incurred more than \$4,500 in medical bills that would have been covered under their old plan.

This legal action is part of the DMHC's ongoing efforts to protect consumers from fraudulent health products. The DMHC is actively pursuing Medicare Advantage marketing abuses. In addition, over the past few years, the DMHC has also been ordering unlicensed and fraudulent discount plans to cease operation or seek licensure, which ensures that discount health plans are selling a legitimate product. Additionally, in 2009, the DMHC shut down a phony labor union health coverage scheme that put hundreds of consumers at risk of losing coverage.

The DMHC Help Center, which assists consumers to make informed health care choices, has some recommendations for seniors to follow so that they are not vulnerable to deceptive Medicare marketing schemes:

- Don't give out personal information such as Social Security numbers, bank account numbers, or credit card information
- Ensure that marketers are licensed
- Be wary of unsolicited calls
- Read and understand the health plan information
- Consult family and friends before purchasing any health plan

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 1 million Californians resolve their health plan problems through its Help Center, educates consumers on health care rights and responsibilities, and works closely with health plans to ensure a solvent and stable managed health care system.

Follow the DMHC on Twitter at: <http://twitter.com/CADMHC>

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