

Member Defense Network launches to protect Affordable Care Act Enrollees from Unauthorized Plan Switching [and other forms of Fraud]

Tallahassee, FL – July 16, 2024 – In a significant step toward protecting consumers and ensuring the integrity of health plan enrollments, industry leaders have come together to launch Member Defense Network™ (MDN). MDN is a secure enrollment registry designed to prevent Unauthorized Plan Switching (UPS) in the Affordable Care Act (ACA) Marketplace.

Unauthorized Plan Switching in the ACA

Insurance agents play a crucial role in the growth and success of the ACA Marketplace. Of the more than 16 million people who enrolled in marketplace coverage for Plan Year 2024, nearly 80% worked with an agent to navigate the complexities of the health insurance enrollment process.

Alongside this growth, a significant problem has emerged in the form of Unauthorized Plan Switching (UPS), a form of fraud where consumers are unknowingly switched to another plan or have their agent of record changed without their consent. This practice can lead to lapses in coverage, loss of access to preferred providers, and unexpected costs for consumers.

Introducing Member Defense Network

MDN is a secure enrollment registry that identifies duplicate submissions across insurers, identifies the consumer's desired coverage based on what they consented to, and reports potential fraud to regulators and law enforcement. MDN intelligently enforces existing CMS consent regulations and utilizes 'smart' 2-factor authentication to validate member intent with minimal enrollment friction, ensuring those who need coverage have access to it. If potential fraud is detected, MDN prevents the payment of commissions for fraudulent enrollments, removing the financial incentive for unauthorized changes.

When an enrollee has worked with multiple brokers resulting in confusion, MDN establishes clear, consistent and transparent rules to resolve conflicts and ensure consumers have uninterrupted access to the correct coverage and appropriate enrollment support.

Participants

Participating insurers representing over half of ACA enrollment during Open Enrollment 2024 include but are not limited to: Ambetter, BlueCross BlueShield of North Carolina, CareSource, CHRISTUS Health, Group Health Cooperative of South Central Wisconsin, Highmark BlueCross Blue Shield, Molina Healthcare, and Mountain Health Co-Op.

MDN will launch in Florida in July with the support and cooperation of the Florida Department of Financial Services ahead of a national launch in the fall.

Agencies representing over 45,000 insurance agents and brokers are also participating in the launch.

MDN has been developed based on input and best practices from existing fraud prevention registries in other lines of insurance and has the goal of reducing Unauthorized Plan Switching by 90% for participating insurers by January 1, 2025.

Initial technical integration and agent support will be provided by HealthSherpa.

About Member Defense Network

Member Defense Network is a coalition of stakeholders participating in the Affordable Care Act (ACA) Marketplace dedicated to removing fraud and protecting consumers' privacy and their access to healthcare. We are dedicated to removing fraud and protecting consumers' privacy and their access to healthcare. MDN members include insurers and insurance agencies covering over 50% of ACA Marketplace enrollment.

For more information about Member Defense Network, please visit www.memberdefense.org.

Insurers, agencies and technology providers interested in learning more about participation in the Member Defense Network should contact info@memberdefense.org.

For press inquiries, please contact press@memberdefense.org.