

# ***U.S. Prosecutors Accuse Large Insurers of Paying Kickbacks for Private Medicare Plans***

The Justice Department accused large insurers of colluding with national brokers to steer older people and those with disabilities toward coverage that might not offer the best medical care.

The complaint was against three of the nation's largest health insurance companies — Aetna, Elevance Health and Humana — and three large insurance brokers.

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The Justice Department on Thursday accused three of the nation's largest health insurers of paying hundreds of millions of dollars in illegal kickbacks over several years to insurance brokers that steered people into private Medicare plans.

Federal prosecutors also accused two of the insurers of colluding with brokers to discriminate against people with disabilities, by discouraging enrollment in the private Medicare plans because the insurers believed coverage would be more costly.

About 12 percent of Medicare beneficiaries are younger than 65, covered by the federal insurance program because they are disabled. Their care can be expensive given complex health needs.

According to the [complaint](#), originally brought by a whistle-blower and joined by the Justice Department, three of the nation's largest health insurance companies — Aetna; Elevance Health, formerly known as Anthem; and Humana — are accused of paying kickbacks to three large brokers, eHealth, GoHealth and SelectQuote, to increase enrollment in their Medicare Advantage plans. Those brokerage firms are also charged with misconduct.

The [complaint](#), filed in a federal court in Boston, asserted that the kickbacks occurred from at least 2016 through 2021, and it accused Aetna and Humana of discriminating against people with disabilities.

Aetna, Elevance, GoHealth and Humana denied the allegations, while the others did not immediately respond to requests for comment.

The lawsuit is one of the first indications by the Trump administration that some Medicare Advantage plans will continue to be subject to federal scrutiny. Critics of these plans, including congressional lawmakers, have faulted the incredibly popular policies for using overly aggressive marketing tactics and overcharging the federal government. Medicare Advantage plans now cover more than half of all individuals enrolled in the federal program.

During the Senate confirmation hearing for Dr. Mehmet Oz, now the administrator of the Centers for Medicare and Medicaid Services, he [replied](#) to senators concerned about excess in the private plans that there was a “new sheriff” in town.

Brokers often play a pivotal role in helping older and disabled Americans eligible for Medicare to decide which private plan to choose. In the complaint, the brokers are accused of steering an individual into the plan that paid them the most rather than the one best suited to that person's needs.

In recent years, small local brokerages have given way to large national organizations employing many agents and using call centers and websites, like the companies named in the suit. They now tend to rely on computer programs to help brokers identify the best plan for each caller, a technology that could make the kind of steering described in the lawsuit easier.

Last year, the Biden administration finalized a [regulation](#) designed to lower the fees insurers could pay these companies to enroll patients, after [congressional testimony](#) and consumer complaints that insurers were

awarding bonuses for enrolling more people in particular plans, regardless of their individual needs. But a lawsuit has put the rule on hold.

In referring to cases involving people with disabilities, federal prosecutors were blunt: “The alleged efforts to drive beneficiaries away specifically because their disabilities might make them less profitable to health insurance companies are even more unconscionable,” U.S. Attorney Leah B. Foley said. “Profit and greed over beneficiary interest is something we will continue to investigate and prosecute aggressively.”