

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

January 11, 2024

Bryan Adams
Chief Executive Officer
Integrity Marketing Group
1445 Ross Avenue, 40th Floor
Dallas, Texas 75202

Dear Mr. Adams,

I am writing to request information about Agent Pipeline's business practices related to lead generation, marketing, and enrollment in Medicare Advantage (MA) health plans.

Medicare beneficiaries' health and financial future depends, in large part, on their ability to find the plan or set of plan choices that best suits their health care needs. However, a 2022 Senate Finance Committee majority staff investigation found widespread evidence of unfair tactics like fraudulent mailers, misleading TV advertisements, and unending sales calls—undermining the seniors' ability to navigate and trust the Medicare plan marketplace.¹ Earlier this year, the Committee heard testimony about how the MA enrollment period is effectively 'open season' on seniors.² Seniors are being bombarded by well-intentioned brokers and bad actors who use various ploys to sell Medicare plans such as providing misleading information about plan options, and misrepresenting themselves as from the Medicare program.^{3,4}

Witnesses confirmed the widespread sale and transfer of seniors' personal information between third-party marketing organizations (TPMOs) and lead generators. The largely unregulated sale of seniors' information to lead generators and TPMOs has led to a race to the bottom as unscrupulous actors put their own financial interests ahead of seniors' health needs.

Lead generators create lists of people who may or may not want to buy certain products by tricking seniors into responding to print, mail, television, and online advertisements. However, seniors may not understand that these ads are not from companies that sell insurance, but are actually companies in the business of collecting and then selling seniors' data to other companies indiscriminately and in bulk to other lead generators, insurance agents, TPMOs, and health insurance companies. As a result, responding

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The Senate Committee on Finance has jurisdiction over Medicare and has a Constitutional duty to oversee this program for its 66 million beneficiaries, including the more than 30 million enrolled in a Medicare Advantage plan and 22 million with a stand-alone Part D plan. It has become clear that the lead generation industry remains a significant factor in the outrageous practices seniors have reported and TPMOs are complicit in these practices through the purchase of leads. This trend is particularly problematic because taxpayers are footing the bill through Medicare Advantage plan payments. As the Committee begins the next stage of its inquiry into problematic marketing practices, I am seeking information from a number of companies in your industry. Accordingly, please provide the following information and answers to the questions below by January 31, 2024:

1. Provide a list of the states where your company conducts business, and any state or federal agencies that your company is registered with to conduct business.
2. Provide a list of the third party marketing organizations and lead generators from which you purchased leads during the 2018 and 2022 calendar years. Provide the contracts for the 5 largest (as measured by dollar value per year) third party marketing organizations or lead generator for each year between 2018 and 2022.
3. What is the distribution of your agent pool between captive (FTE) and 1099s employees? What is the distribution of your agent pool between seasonal and FTE?
4. As part of your offering do you directly distribute leads to agents? Is there a distinction between your approach to distributing leads between captive and 1099 agents?
5. For each year between 2018 and 2022, how many individuals did your company enroll in a Medicare Advantage plan? What is the rapid disenrollment rate, that is when a person disenrolls from their plan within three months of the enrollment, for your company's agents for each year from 2018 to 2022? What was your company's agents' enrollment cancellation rate, that is when a person disenrolls from a plan before the enrollment goes into effect, for each year from 2018 to 2022?
6. Do individuals, such as your agents, provide services that support enrollment and member onboarding?
 - a. What financial incentives exist for agents providing these services?
 - b. How is "fair market value" determined for providing these services?

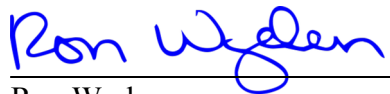
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 - a. Does your technology search all Medicare Advantage plans offered in a service area and present all options in an area?
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10. How does your company ensure that people on lead generator purchased lists want to be contacted about Medicare Advantage plans?
11. How does your company ensure compliance with CMS marketing and communications requirements?⁶ Specifically discuss:
 - a. How do you ensure that any inducements were not used to procure names on a lead generator purchased list or that any gifts were of nominal value?
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 - f. For 2022, provide examples of your top 5 marketing campaigns (as defined by campaigns that yielded the largest number of leads) including any outdoor, print, radio, television, or web-based advertisements?
 - g. For 2022, provide copies of the marketing materials that you used that have disenrollment rates greater than 10%.

If you have any questions, you may contact Eva DuGoff at eva_dugoff@finance.senate.gov. Thank you for your prompt attention to this matter.

Sincerely,



Ron Wyden
United States Senator
Chairman, Committee on
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United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

January 11, 2024

Fran Soistman
Chief Executive Officer and Director
eHealth
2625 Augustine Drive, Suite 150
Santa Clara, CA 95054

Dear Mr. Soistman,

I am writing to request information about your company's business practices related to lead generation, marketing, and enrollment in Medicare Advantage (MA) health plans.

Medicare beneficiaries' health and financial future depends, in large part, on their ability to find the plan or set of plan choices that best suits their health care needs. However, a 2022 Senate Finance Committee majority staff investigation found widespread evidence of unfair tactics like fraudulent mailers, misleading TV advertisements, and unending sales calls—undermining the seniors' ability to navigate and trust the Medicare plan marketplace.¹ Earlier this year, the Committee heard testimony about how the MA enrollment period is effectively 'open season' on seniors.² Seniors are being bombarded by well-intentioned brokers and bad actors who use various ploys to sell Medicare plans such as providing misleading information about plan options, and misrepresenting themselves as from the Medicare program.^{3,4}

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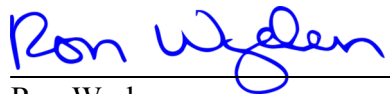
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7. Do you provide any information technology services to help agents search Medicare Advantage plan offerings? If so:
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If you have any questions, you may contact Eva DuGoff at 202-224-4515. Thank you for your prompt attention to this matter.

Sincerely,



Ron Wyden
United States Senator
Chairman, Committee on
Finance

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

January 11, 2024

Vijay Kotte
Chief Executive Officer
GoHealth
222 West Merchandise Mart Plaza, Suite 1750
Chicago, IL 60654

Dear Mr. Kotte,

I am writing to request information about your company's business practices related to lead generation, marketing, and enrollment in Medicare Advantage (MA) health plans.

Medicare beneficiaries' health and financial future depends, in large part, on their ability to find the plan or set of plan choices that best suits their health care needs. However, a 2022 Senate Finance Committee majority staff investigation found widespread evidence of unfair tactics like fraudulent mailers, misleading TV advertisements, and unending sales calls—undermining the seniors' ability to navigate and trust the Medicare plan marketplace.¹ Earlier this year, the Committee heard testimony about how the MA enrollment period is effectively 'open season' on seniors.² Seniors are being bombarded by well-intentioned brokers and bad actors who use various ploys to sell Medicare plans such as providing misleading information about plan options, and misrepresenting themselves as from the Medicare program.^{3,4}

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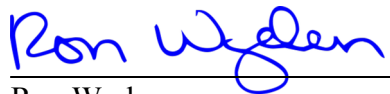
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WASHINGTON, DC 20510-6200

January 11, 2024

Tim Danker
Chief Executive Officer
SelectQuote
6800 W. 115th Street, Suite 2511
Overland Park, KS 66211

Dear Mr. Danker,

I am writing to request information about your company's business practices related to lead generation, marketing, and enrollment in Medicare Advantage (MA) health plans.

Medicare beneficiaries' health and financial future depends, in large part, on their ability to find the plan or set of plan choices that best suits their health care needs. However, a 2022 Senate Finance Committee majority staff investigation found widespread evidence of unfair tactics like fraudulent mailers, misleading TV advertisements, and unending sales calls—undermining the seniors' ability to navigate and trust the Medicare plan marketplace.¹ Earlier this year, the Committee heard testimony about how the MA enrollment period is effectively 'open season' on seniors.² Seniors are being bombarded by well-intentioned brokers and bad actors who use various ploys to sell Medicare plans such as providing misleading information about plan options, and misrepresenting themselves as from the Medicare program.^{3,4}

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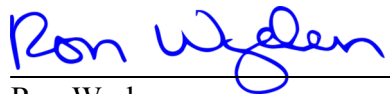
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7. Do you provide any information technology services to help agents search Medicare Advantage plan offerings? If so:
 - a. Does your technology search all Medicare Advantage plans offered in a service area and present all options in an area?
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 - c. Outbound leads such as a list of mail addresses or phone numbers? How do the price of these lists differ by geographic area?
9. What information (e.g., demographics, address, telephone number, email address, and mobile advertising IDs) do you collect about individual leads?
10. How does your company ensure that people on lead generator purchased lists want to be contacted about Medicare Advantage plans?
11. How does your company ensure compliance with CMS marketing and communications requirements?⁶ Specifically discuss:
 - a. How do you ensure that any inducements were not used to procure names on a lead generator purchased list or that any gifts were of nominal value?
 - b. How do you ensure that marketing efforts primarily targeting dual eligible individuals are related to dual eligible special needs plans or comparable plans designated by the Secretary?
12. If your company or your agents generates leads for purposes of marketing Medicare Advantage products:
 - a. Describe your outreach approach. What proportion of your business is generated through out-bound efforts (including call center) versus inbound effort versus field-based efforts?
 - b. What processes do you have in place to ensure lead quality?
 - c. What information do you collect from individuals, either directly or indirectly through purchasing or other means, and how do you collect it?
 - d. For 2018 and 2022, how many individual leads did you sell to a Medicare Advantage insurer, third party marketing organization, or lead aggregator? What was the average sale price during the Annual Enrollment period before Thanksgiving, from Thanksgiving day to December 7th, and outside the Annual Enrollment period? Describe any differences in pricing by the following types:

- i. Digital advertisements on a website per click or total acquisition cost (including click and enrollment)?
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- e. Do you sell the same lead to multiple companies?
 - f. For 2022, provide examples of your top 5 marketing campaigns (as defined by campaigns that yielded the largest number of leads) including any outdoor, print, radio, television, or web-based advertisements?
 - g. For 2022, provide copies of the marketing materials that you used that have disenrollment rates greater than 10%.

If you have any questions, you may contact Eva DuGoff at 202-224-4515. Thank you for your prompt attention to this matter.

Sincerely,



Ron Wyden
United States Senator
Chairman, Committee on
Finance

United States Senate

COMMITTEE ON FINANCE

WASHINGTON, DC 20510-6200

January 11, 2024

Carl Hess
Chief Executive Officer
Willis Towers Watson
800 N Glebe Rd Suite 1000
Arlington, VA, 22203-2150

Dear Mr. Hess,

I am writing to request information about TRANZACT's business practices related to lead generation, marketing, and enrollment in Medicare Advantage (MA) health plans.

Medicare beneficiaries' health and financial future depends, in large part, on their ability to find the plan or set of plan choices that best suits their health care needs. However, a 2022 Senate Finance Committee majority staff investigation found widespread evidence of unfair tactics like fraudulent mailers, misleading TV advertisements, and unending sales calls—undermining the seniors' ability to navigate and trust the Medicare plan marketplace.¹ Earlier this year, the Committee heard testimony about how the MA enrollment period is effectively 'open season' on seniors.² Seniors are being bombarded by well-intentioned brokers and bad actors who use various ploys to sell Medicare plans such as providing misleading information about plan options, and misrepresenting themselves as from the Medicare program.^{3,4}

Witnesses confirmed the widespread sale and transfer of seniors' personal information between third-party marketing organizations (TPMOs) and lead generators. The largely unregulated sale of seniors' information to lead generators and TPMOs has led to a race to the bottom as unscrupulous actors put their own financial interests ahead of seniors' health needs.

Lead generators create lists of people who may or may not want to buy certain products by tricking seniors into responding to print, mail, television, and online advertisements. However, seniors may not understand that these ads are not from companies that sell insurance, but are actually companies in the business of collecting and then selling seniors' data to other companies indiscriminately and in bulk to other lead generators, insurance agents, TPMOs, and health insurance companies. As a result, responding

1 Deceptive Marketing Practices Flourish in Medicare Advantage: A Report by the Majority Staff of the US Senate Committee on Finance, November 3, 2022. Available at: <https://www.finance.senate.gov/imo/media/doc/Deceptive%20Marketing%20Practices%20Flourish%20in%20Medicare%20Advantage.pdf>

2 US Senate Committee on Finance, "Medicare Advantage Annual Enrollment: Cracking Down on Deceptive Practices and Improving Senior Experiences" October 18, 2023.

3 Fuglesten Biniek, Jeannie et al, "How Health Insurers and Brokers Are Marketing Medicare," KFF, September 2023. Retrieved from: <https://www.kff.org/medicare/report/how-health-insurers-and-brokers-are-marketing-medicare/>.

4 Jacobson, Gretchen et al., The Private Plan Pitch: Seniors' Experiences with Medicare Marketing and Advertising, The Commonwealth Fund, September 2023. Retrieved from: <https://www.commonwealthfund.org/publications/issue-briefs/2023/sep/private-plan-pitch-seniors-experiences-medicare-marketing-advertising>.

to just one ad can result in seniors receiving a barrage of calls, texts, and emails from marketers and brokers who have purchased the seniors' information from the lead generator that placed the ad.⁵ Seniors overwhelmed by the onslaught may then hear high-pressured sales pitches or misleading information from marketers leading to confusion and enrollments into the Medicare Advantage plan that spent the most on marketing and lead generation, not the plan that best suits the seniors' health needs.

The Senate Committee on Finance has jurisdiction over Medicare and has a Constitutional duty to oversee this program for its 66 million beneficiaries, including the more than 30 million enrolled in a Medicare Advantage plan and 22 million with a stand-alone Part D plan. It has become clear that the lead generation industry remains a significant factor in the outrageous practices seniors have reported and TPMOs are complicit in these practices through the purchase of leads. This trend is particularly problematic because taxpayers are footing the bill through Medicare Advantage plan payments. As the Committee begins the next stage of its inquiry into problematic marketing practices, I am seeking information from a number of companies in your industry. Accordingly, please provide the following information and answers to the questions below by January 31, 2024:

1. Provide a list of the states where your company conducts business, and any state or federal agencies that your company is registered with to conduct business.
2. Provide a list of the third party marketing organizations and lead generators from which you purchased leads during the 2018 and 2022 calendar years. Provide the contracts for the 5 largest (as measured by dollar value per year) third party marketing organizations or lead generator for each year between 2018 and 2022.
3. What is the distribution of your agent pool between captive (FTE) and 1099s employees? What is the distribution of your agent pool between seasonal and FTE?
4. As part of your offering do you directly distribute leads to agents? Is there a distinction between your approach to distributing leads between captive and 1099 agents?
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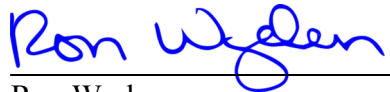
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