

DECLARATION OF MICHAEL FISSEL
PURSUANT TO 28 U.S.C. § 1746

I, Michael Fissel, hereby declare as follows:

1. My name is Michael Fissel. I live in Pennsylvania and am over eighteen years of age. I have personal knowledge of the facts stated in this declaration, and if called as a witness, I could and would competently testify to these same facts.

2. I am a special investigator supervisor with the Pennsylvania Insurance Department in the Bureau of Licensing and Enforcement, a position that I have held since June 2015. I investigate individuals, agencies, and companies suspected of violating laws and regulations enforced by the Department.

3. In or around June 2017, my office began investigating a high volume of complaints filed by Pennsylvania consumers who had purchased what they had been led to believe by telemarketers were Affordable Care Act compliant health insurance policies. According to these consumers, they eventually realized that, instead of health insurance, they were enrolled in medical discount memberships, indemnity policies, short term medical, and similar products. My office determined that most of these products were administrated by Health Insurance Innovations ("HII"), which is headquartered in Tampa, Florida.

4. My office contacted representatives with the Florida Department of Financial Services ("DFS"), the state agency that regulates insurers in Florida, and arranged to visit third party call centers that sell products on behalf of HII, many of which are located in south Florida. My colleague and I traveled to south Florida in June 2017.

5. While in Florida, accompanied by DFS representatives, my colleague and I visited four call centers that sold HII products, including a company that does business as Simple Health Plans ("Simple Health").

6. On June 21 and June 27, 2017, we visited a Simple Health call center located at 200 South Park Road in Hollywood, Florida that employed approximately 30-50 sales agents.

7. We interviewed Simple Health's compliance officer, Candida Girouard. Ms. Girouard claimed that Simple Health did not record the sales portion of calls with consumers, only the so-called "verification" process that occurred after a consumer had agreed to purchase a policy. She claimed that the company's servers did not have enough space to record an entire call. Adding the necessary server capacity would be too expensive, she explained. She said that Simple Health was working on a system that would enable it to record the entire call and hoped to implement this system in 2018. HII was working on a similar system to record and store sales calls, she claimed.

8. Girouard claimed that she had reprimanded three agents for not being forthcoming during sales calls. She said that she immediately terminated an agent after learning that the agent sold a policy to a consumer diagnosed with cancer. Agents are trained not to sell to consumers with cancer because, she explained, the plans sold by Simple Health do not provide benefits to consumers with cancer.

9. According to Girouard, floor managers roam the sales floor and attempt to observe agents' behavior during sales calls. She said that the quality assurance team will listen to live sales calls if they have reason to believe there are issues with a specific agent.

10. Girouard explained that consumers pay a non-refundable enrollment fee of \$125 to \$155, depending on the type of products purchased. The entire fee is paid initially to HII, which keeps \$25-\$55 and pays \$100 to Simple Health.

11. While at Simple Health's call center, we obtained a copy of the company's sales script. A true and correct copy of this script is attached hereto as **Fissel Attachment A**. Ms.

Girouard said that agents are not required to adhere strictly to scripts because agents are independent contractors. She said that agents are permitted to deviate from scripts in order to answer questions from prospective clients.

12. Ms. Girouard stated that Simple Health sells a lot of limited medical plans because such plans have no preexisting condition restrictions.

13. While in Florida, my colleague and I interviewed a former employee of Simple Health. A true and correct copy of my notes of this interview are attached hereto as **Fissel Attachment B**. Personally identifiable information has been redacted from this document.

I state under penalty of perjury that the foregoing statement is true and correct.

Executed on the first day of July 2018.



Michael Fissel

Fissel Attachment A

Hello (FIRST NAME) my name is _____, and I am a licensed agent in your state of _____. I'm going to be helping you with your application for an affordable health insurance quote. I am to inform you this call may be recorded for quality assurance. Are you looking for an individual or family plan?

Great! The name of my company is Simple Health, and we represent many of the MAJOR "A Rated" CARRIERS in the state of _____... So I'm able to give all of your options, and find you the BEST PLAN out there for the BEST PRICE!

Are you currently insured?

(If YES) What insurance company are you currently with? What's making you shop around?

How much are you spending?

(If NO) Have you been without coverage for more than 63 days?

Pre-Qualification Questions

Please verify any pre-existing medical conditions.

2. How many medications are you taking? (Generic or Name Brand?)
3. How many times do you go visit the DR each year?
4. And I see that you put here your approx. height and weight is _____ correct?
5. Are you a smoker?
6. Have you ever been denied for health insurance?
7. (There Name) what aspects of your insurance are most important to you?

(BUILD RAPPORT WITH YOUR CLIENT!)

"OK, I know exactly what you're looking for; we want to find you a PPO, that way you can keep your own doctors and hospitals. I want to get you prescription and lab benefits for your preventative care and maintenance... and MOST IMPORTANTLY, you want a plan that will have very low out of pocket expenses, right?"

joining ACUSA (Alliance for Consumers USA) you are able to access and join this plan. This will save you hundreds on your monthly premium, but obviously price is not the only important part of your insurance. Since you're healthy and don't need benefits like maternity and mental health, this plan makes sense because by excluding those benefits that you don't need you save a lot of money on the premium. What's the point of paying all that money every month if it's not going to cover the most important things, right??? Exactly!!! This plan covers you from day 1 on any new injuries or illnesses with NO waiting periods on accidents!

Now, this program utilizes the First Health Nationwide PPO network, which is one of the largest PPO networks in the country... First Health is one of the largest networks in the nation! With more than 1,000,000 facility and healthcare providers under contract.

You will receive unlimited access to doctor consultations, diagnostic testing for blood & lab work, prescription, medical, surgical, hospital assistance, dental, vision, and hearing which are all included into your monthly rate. You'll even have access to our CUSTOMER SERVICE CASE MANAGERS, who specialize in all your prescription needs.

The monthly premium is (amount per month) and for your first month, there is also a one-time fee of (enrollment \$\$). Also, your rate will never increase because you use the plan and your plan is month is month with no contracts. Lastly your plan is Nationwide! So if you move or travel you have benefits in every state.

This plan becomes effective as of midnight tonight. Again the first month will be: (newly revised rate), and every month after that it is only (monthly rate). Is that affordable for you TODAY before I go over all the benefits with you? (MAKE THEM ANSWER YES OR DON'T PITCH THEM!!!)

Let me start with your doctor visits. Now, you can go to any doctor in the country. Every time you go to the doctor within the First Health network you will receive the contracted rate off your bill. On top of that, you will receive an additional \$50 / \$100 off of the remaining balance up to 3/5 times per person per year and \$50 one time per year for wellness. For example, (First Name) let's say your doctor charges you \$200 for that visit and you were to receive the contracted rate of \$100...YOU DON'T HAVE TO PAY THAT, again for that doctor visit you will receive an additional \$50 / \$100 off the remaining balance. So in this exact situation, you end up spending \$50 / \$0 on that \$200 visit... do you understand?

Now as you know, MOST PLANS come with high deductibles that will have you paying THOUSANDS out of pocket BEFORE your insurance will pay for ANYTHING!! This plan does not work that way. This plan provides first dollar benefits for inpatient hospitalization. This is a FIRST DOLLAR COVERAGE PLAN, which means THIS PLAN covers you from the MOMENT you enter the hospital. So again, first the PPO network

Great news! I was able to get your prescriptions for you at (\$\$\$) and you can choose to fill them at a 3 month supply if you wish and receive these right to your home through pharmacychecker.

(with Dental Card)

Now, for your benefit I have included an additional separate dental plan along with your policy which is separate from your health insurance. This additional card gives you a dental and vision savings benefit which gives you more coverage than any other traditional insurance plan, and with this card, you also receive additional benefits which give you access to the most affordable mail order pharmacies in the nation such as www.pharmacychecker.com...It's very similar to MedCo!

Now, I have your full name as (state there first and last name). Do you want your middle initial printed on your ID cards as well?

And your date of birth is (MM/DD/YYYY), is that correct?

And to the best of your knowledge, everything you have told me today is true?

OK GREAT! Now you can always change the method of payment later. For the first payment, will you be using a debit or credit card?

(REMAIN SILENT- 1st person to talk loses!!!)

COMPLETELY separate neither has ANYTHING to do with the other. The first month comes out to be \$125/\$155 more, simply because of the enrollment fees. \$125 is for your health enrollment fee, and \$30 is for your dental enrollment fee. I made these charges separate for you, so THIS WAY you can ALWAYS upgrade or downgrade either one without it EVER compromising the other, Okay??

REMEMBER TO VISIT THE MAIL-ORDER PHARMACY AT: WWW.PHARMACYCHECKER.COM TO CHECK THE PRICES ON ALL OF YOUR MEDICATIONS! (make sure they write it down!)

This plan does not meet the definition of minimal essential coverage therefore, you could be subject to a tax penalty depending on your personal situation, but like we discussed earlier a) those plans would have coverage you don't need like maternity and mental health coverage making the premiums much higher even with the penalty! or b) you wouldn't be able to buy one of those plans now because it's not open enrollment or c) you aren't interested in those plans/those plans aren't affordable.

It's really just insurance terms, but let me go over them with you again just to MAKE SURE you understand everything correctly. For Insurance to be DEFINED as a Major Medical, it MUST HAVE a deductible and co-insurance.

The BEAUTY of your NEW PLAN is that it has NONE of those. It has, NO DEDUCTIBLES, NO annual or lifetime caps, and No medical underwriting. . . therefore it's called a Limited Medical INDEMNITY Insurance Plan, not a Major Med.

Remember, your plan has no deductible and is a 2-sided plan. FIRST, ALL of your medical bills will be priced down to their lowest form, THEN, your ADDITIONAL INSURED CASH benefits will apply towards the remaining balance. Remember, the whole idea of this plan is to make your out of pocket expense AS LOW AS POSSIBLE, without you having to meet ANY deductibles first.

When you receive your NEW INSURANCE CARDS in your email, you will see all of your insured and non-insured benefits outlined in writing. You will also see all the additional noninsured benefits which come included with your plan! Now remember (First Name), ALL YOUR MEDICAL BILLS WILL BE REDUCED DOWN TO ITS LOWEST FORM before any of those cash benefits are applied!

On the verification they will also let you know the details of the INSURANCE PORTION of your plan, and then let you know the details of the discount part of your plan. Remember, when you get your packing in the email, you will see your ID cards. One card does it all and has your name and policy and member ID number on it and it works for all of your benefits included in the plan! No separate card to carry around for each product. That is the one that you need to put in your wallet right away.

Fissel Attachment B



MEMO

TO Joe Yatsko
COPY File
FROM Michael Fissel, Special Investigator
DATE 06/27/17
RE C [REDACTED] R [REDACTED] interview

Message: 06/19/17 1620hrs

C [REDACTED] R [REDACTED] was interviewed at her new place of employment notes of that interview follow:

- Previously employed by Simple Health
 - Was provided a script by the team leaders (Brad, John, Chad)
 - Believed they were made by management
 - R [REDACTED] said the script was "Sketchy"
 - Not clear
 - Many people make up their own words for the sales pitch
 - Originally the script did not say that it was not ACA compliant it was updated later
 - Script did not state that it was not Major Medical coverage
 - Left because she was not happy with the product they were selling
 - Simple Health had a brief training to explain products
 - Agents would tell perspective insureds that the product covered everything
 - Agents would say no copays which was true but that is because it is only a discount plan
 - Agents would say that the policy was associated with Etna which was not true.
 - Agents would dance around the question if asked if the plan was ACA compliant
 - R [REDACTED] said that she would not be surprised if someone complained about not knowing the plan was not ACA complaint.
- R [REDACTED] provided updated contact information:
 - [REDACTED] FI [REDACTED] [REDACTED]