

What to Consider When Looking at

“Discount Medical Plans”

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With the rising cost of health care and prescription drugs, consumers are looking to discount plans for relief. Many of these discount plans claim to offer savings on prescription drugs, doctor and dental visits, vision care or other medical services. Advertisements – often found on the Internet, through infomercials or in “spam” e-mail – boast that consumers can save up to 30% or more on the cost for such services. Generally, the plans indicate there is a network of providers who will discount their charges for plan members.

Consumers who are confused by these plans often believe they are purchasing insurance. Discount plans are not considered health insurance and currently are not regulated in all states. Consumers should review plan materials carefully to be certain the benefits are worth the cost.

The Better Business Bureau suggests you consider several facts about these plans before making a purchasing decision:

1. Discount plans can be sold by any one at any cost with any benefits. They are not licensed insurance products, even when sold by insurance agents.
2. The protections and rights available to consumers under health insurance plans may not be available to members of a discount plan.
3. Providers in the discount plan’s “network” are often not bound by contract to participate in the plan and may stop offering the discount at any time (without notice to plan members), depending on the plan.
4. Many plan claim savings up to a certain percent. However, “up to 40%” does not mean a guaranteed 40% savings.

If you are considering enrolling in a discount plan, ask the following questions:

- Is this plan an insurance product in my state?
- What is the annual cost of the plan?
- What are the benefits?
- Do the provider(s) I frequent accept the discount card? Be sure to check with your providers as the information given by the plan could be inaccurate.