

Just the facts on...

Discount Medical Plans

Discount Medical Plans may be a good option, but consumers should consider all of the facts before making a decision.



What is a discount medical plan?

Discount Medical Plans, also called Health Savings Plans or Medical Savings Plans, are not insurance. Instead, a discount medical plan card operates much like a retail discount card. No claims have to be filed. Additionally, you are limited to a list of available providers and your discount is taken at the time of service.

Open your mouth and say, "DMPs are not insurance."

The discount medical plan organization is the organization that contracts with providers, provider networks, or other discount medical plan organizations to offer access to medical or ancillary services at a discount and determines the charge to discount medical plan customers.

Discount medical plans do not pay claims for health services. Instead, discount medical plans use a network of providers that offer a percentage off of their standard fees or charges up front. The consumer is responsible for paying for services at the time the service is received.

Discounts can vary greatly and not all providers offer the same discount. In addition, discount medical plans do not cover all types of services or conditions.

While discount plans offer discounts for a variety of services, it is important to know that discount medical plans are not going to offer you the same level of service as insurance. If you are not satisfied, every consumer has the right to review a plan, cancel and request a refund within thirty days. Membership handbooks should clearly state the terms and conditions of cancellation.



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Warning Signs - What should I avoid?


Discount medical plans can be very confusing. It is very important that you do your homework to avoid purchasing a fraudulent plan.


 Many discount plans are offered as an added benefit to a membership into an association, club or union. In addition to a monthly fee, they will tack on a yearly membership fee.


 Possible fraudulent discount medical plans are advertised through spam email, faxes, unsolicited phone calls, pop-up screens on the internet, and signs on telephone polls with a number to call and few details. Remember: never give out personal information to unsolicited individuals or sources.

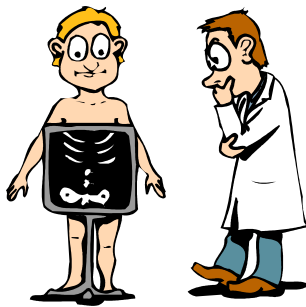
 Advertising can use insurance jargon, such as health plan, PPO network, copayments, premiums, in order to mislead you. The company can also pressure you by telling you "this is a one-time offer" or "this offer expires by midnight."

 Don't feel pressured by the sales people to buy it if it sounds too good to be true. Don't let them convince you to discontinue your current insurance.

 A list of health care providers should be made available to you. Check with your provider, such as your doctor or pharmacy, to make sure they have a contract with that plan to offer a discount.

 A list of benefits and details of the plan should be made available prior to your purchase. Legitimate plans will not require large up-front fees.

 All discount medical cards issued by licensed companies must read, "THIS IS NOT INSURANCE." on all marketing materials including membership cards.



When it comes to DMPOs, you may want to get a second opinion.

DMPO must register with SCDCA

In January 2007, the State of South Carolina required all companies offering discount programs for all health services to be registered with the Department of Consumer Affairs. According to the statute, neither the discount medical plan organizations nor their marketing companies may market plans in South Carolina unless the DMPO has properly registered and has paid the required fees.