

State of Connecticut

Insurance Department

THOMAS R. SULLIVAN
COMMISSIONER

Consumer Alert

FOR IMMEDIATE RELEASE

CONTACT: Dawn McDaniel
(860) 297-3958

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Dawn.McDaniel@ct.gov

IS THAT MEDICAL DISCOUNT PLAN LEGITIMATE?

During hard economic times, fraudulent behavior can rise. Connecticut Insurance Commissioner Thomas R. Sullivan reminds Connecticut residents to be on the lookout for scams, and encourages consumers to verify plans before they buy.

The Connecticut Insurance Department has received complaints on several fax and internet solicitations offering: “Affordable Healthcare” or “Healthcare Coverage” ([Click here for examples](#)). Commissioner Sullivan warns consumers to be wary of terms such as “limited time offer” or “limited number of enrollments” as these terms have been linked to fraudulent plans. Often, entities offering such solicitations are found to be unlicensed in Connecticut, and not authorized to sell medical discount cards in our State.

“I encourage consumers to take a proactive approach to their healthcare coverage,” said Commissioner Thomas R. Sullivan, “this means, when considering whether to purchase a medical discount plan, consumers should take the time to verify that the company is licensed and the plan is authorized to be sold to Connecticut residents.”

The Insurance Department reminds residents of three steps to reduce the risk of fraud. Stop. Call. Confirm. Consumers can find answers to many insurance questions on the Insurance Department’s Web site at www.ct.gov/cid or by calling the Insurance Department at 800-203-3447.

WHAT IS A MEDICAL DISCOUNT PLAN?

A medical discount plan is not insurance. Instead, medical discount plan members receive a list of health care providers who offer discounts on services to plan members.

Licensed medical discount plans can be an effective tool in managing health care costs; provided they are licensed within the state where the product is marketed..

These plans work best when used alongside other products such as health savings accounts. There are several licensed medical discount plan providers in the state of Connecticut. A list is provided on the Insurance Department's Web site at www.ct.gov/cid keyword: discount plans.

WHAT CAN YOU DO TO PROTECT YOURSELF FROM FRAUD?

1. ***Review the details of the plan.*** Ensure that you understand the details of the plan and what is covered and what is not covered. If you are considering health coverage, make sure you are purchasing insurance and not a discount plan. A medical discount plan is NOT insurance, but rather only provides a discount on the bill of a participating provider.
2. ***Ask for additional information before sending money.*** A licensed medical discount plan or insurance company should provide the consumer with additional information about the plan and the various coverages without collecting personal information such as social security number, credit card number, or bank account information or taking a payment for the plan.
3. ***Verify the company is licensed in your state.*** Sometimes companies are licensed in other states, but not licensed in Connecticut and not authorized to market to Connecticut residents. Consumers can easily verify a license by calling toll free 800-203-3447 or direct at 860-297-3900 on at www.ct.gov/cid/verifylicense.

The Department strongly recommends that you do not respond to any unsolicited fax solicitation or respond to offers for products sold over the internet, without thoroughly checking out the company making the offer, and to make sure it is a licensed entity.

ABOUT THE CONNECTICUT INSURANCE DEPARTMENT

The mission of the Connecticut Insurance Department is to serve consumers in a professional and timely manner by providing assistance and information to the public and to policy makers, by regulating the insurance industry in a fair and efficient manner which promotes a competitive and financially sound insurance market for consumers, and by enforcing the insurance laws to ensure that consumers are treated fairly and are protected from unfair practices. For more information, visit the Connecticut Insurance Department at www.ct.gov/cid.

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