

Free help with your insurance questions or complaints

Consumer Advocacy
Hotline

Toll-free
1-888-877-4894

Salem
503-947-7984

E-mail
cp.ins@state.or.us

Insurance Division
350 Winter St. NE
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Salem, OR 97309-0405

Phone: 503-947-7980
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With health care premiums on the rise, many Americans are searching for more affordable health insurance. The marketing of medical discount health plans – and the cards they issue – is increasing. Medical discount plans are not insurance.

What are medical discount plans?

- ▶ Legitimate discount medical plans, for a fee, give consumers discounts on doctors, pharmacists, and others who contract with the discount medical plan.
- ▶ Because discount medical plans are not insurance, fewer protections exist for buyers. However, Oregon requires discount medical organizations to be licensed, offering some protections to consumers.
- ▶ *With a medical discount plan card, you pay **all** medical claims.*
- ▶ Investigate the actual potential savings and what services aren't covered. Check with the medical discount plan to find a doctor or other health care provider who will serve you. Contact the doctor directly to verify the discount will be provided.
- ▶ Even if the medical discount plan card produces the discounts it claims, you could still be out thousands of dollars if you are hospitalized.



Licensing

Medical discount organizations doing business in Oregon must be licensed by the Department of Consumer and Business Services (DCBS). These organizations must:

- ▶ have a written contract with doctors or provider networks that offer services at a discount.
- ▶ provide a free-look period for purchasers of plans with a 30-day right to cancel.
- ▶ have a toll-free customer assistance number.
- ▶ follow refund requirements, advertising restrictions and disclosure standards. For example, marketing materials must tell consumers that the discount medical plan is “not insurance.”

Continued

INSURANCE *Tips . . . continued*

Find out if an organization is licenced

1. Visit the insurance company search page at <http://www4.cbs.state.or.us/ex/ins/inslic/company/index.cfm>
2. If you know the name of the company, you can search for it that way. If you don't know the company name or want a complete list of licensed discount organizations, select "Search for companies by authorization class."
3. Select "medical discount plans" in the box.

Spotting possible fraudulent plans

- ▶ The plans advertise through spam e-mails, Internet pop-ups, or signs posted on telephone poles.
- ▶ The company or its advertising claim you can save a lot on health insurance.
- ▶ The company or its representatives will not give you a list of doctors or hospitals that offer the discounts until after you buy the medical discount plan.
- ▶ The company uses high-pressure sales tactics, telling you that you "must act now" or "this is a one-time offer."
- ▶ You are asked for debit or credit card information or a large upfront fee.
- ▶ Someone suggests you drop your health insurance; legitimate medical discount plan organizations never suggest this.

More information

Information is your best defense. An Oregon Insurance Division consumer advocate (1-888-877-4894) can explain the difference between *medical discount plans* and *health insurance*.

If it seems too good to be true, it probably is.

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