

MARTIN O'MALLEY
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ANTHONY G. BROWN
Lt. Governor



BETH SAMMIS
Acting Commissioner

KAREN STAKEM HORNIG
Deputy Commissioner

JOY HATCHETTE
Associate Commissioner
Consumer Education and Advocacy

200 St. Paul Place, Suite 2700 Baltimore, Maryland 21202
Direct Dial: 410-468-2000 Fax: 410-468-2020
1-800-492-6116 TTY: 1-800-735-2258
www.mdinsurance.state.md.us

CONSUMER ADVISORY: Is a Discount Plan the Right Choice for Me?

In these economic times, many consumers continue to struggle with paying for health care – either because of losing a job; needing to save money in the family budget; or realizing an existing policy does not cover specific health care needs. Many consumers find themselves trying to figure out how to pay their hospital and doctor bills, as well as how to get the medication they need.

One option that many consumers find attractive is discount medical and discount drug plans because frequently they are less expensive than traditional health insurance. Before purchasing a discount plan, it is important to understand that these plans are not insurance. Therefore, consumers do not receive the same protections that exist for insurance plans. Instead, for a monthly or annual fee, a member of the plan receives specific goods and services (for example, prescription drugs, doctors' visits, eyeglasses and vision care) at a discounted price from certain doctors, pharmacies or other entities that agree to provide a member discount. Hospitals in Maryland do not provide discounts.

Here are some questions to ask before you purchase a discount plan:

- What are the fees or other administrative costs for the plan? Can these fees change?
- How do you cancel the discount plan?
- What does this plan offer that my current insurance plan does not?
- Which doctors, pharmacies and other healthcare providers accept the discount card in my area?
- What services are specifically covered (or excluded) and what discount is given? (Make certain that your specific treatment or condition is covered.)
- Are there limits on how many times you can use the services?
- Are your current medications covered and at what discount? (Verify that a generic brand that you can take is not available for a lesser amount.)
- Who do you contact in case you have a problem? (Make certain you have a company name and complete contact information.)

For more information about discount plans, review *What Consumers Need to Know About Discount Medical and Discount Drug Plans* at <http://www.mdinsurance.state.md.us/sa/documents/discountplansbrochure08-09rev.pdf>. If you suspect fraud, report it to the Maryland Attorney General's Consumer Protection Division at 1-888-743-0023. To find out about complaints filed against a discount plan, call the Maryland Attorney General's Health Advocacy Division at 877-261-8807 or the Maryland Insurance Administration at 800-492-6116.

Information on all the available options to pay for health care can be found by reviewing *A Consumer Guide to Health Insurance*, which is available at <http://www.mdinsurance.state.md.us/sa/documents/CGHealth-09-09-web.pdf> or by contacting the Maryland Insurance Administration.