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### **CONSUMER ALERT** **Health Insurance Scams**

With the rising cost of health care and prescription drugs, products promising to save “50% to 80%” on the cost of health care are becoming more appealing to consumers. But it is important to keep in mind the old saying, “if it sounds too good to be true, it probably is.” Below are some tips to help protect you from scams.

1. **Be wary of unsolicited offers.** If you receive an unsolicited offer in the mail, or by fax or email offering you coverage for your health care costs, proceed carefully. Even if the offer appears to be from a legitimate company, because, for example, it is on what appears to be company letterhead or an email address that includes the company’s name, it may be part of a scam.
2. **Verify that the offer is real.** You should look up the company’s phone number in your phone book and call them directly to verify the legitimacy of the offer. Make sure you don’t just rely on the phone number, email address or other contact information in the offer because, if it is a scam, the contact information may be for a fake office.
3. **Don’t make payments or give out credit card or bank account information until you have verified that it is a legitimate offer.** Do not provide credit card or bank account information to anyone before you know all of the details of the plan and are certain that you want to join. Review all plan documents carefully before you sign anything agreeing to purchase a plan.
4. **Verify the license status of the person selling the product.** You can verify that the person selling you the product is licensed by checking on <http://www.mdinsurance.state.md.us/pls/jsp/pia/PIA> or calling us at (888) 204-6198.
5. **Ask if the product is health insurance.** If it is health insurance, you should ask for the name of the insurer, nonprofit health service plan or health maintenance organization underwriting the product. You can verify that the insurer, nonprofit health service plan or health maintenance organization is licensed to do business in Maryland by using the MIA’s “Company Search” portal, <http://www.mdinsurance.state.md.us/iq/jsp/interactiveQuery/CompanySearch.jsp?mode=true> or calling us at (800) 492-6116, ext. 2104.
6. **If the product is not health insurance, ask if you are purchasing a discount plan.** Discount plans typically provide cardholders with discounted health care services in exchange for a membership fee. Although the MIA does not license discount plans, such plans are required to register with the agency. You can verify the registration status of a discount plan on the MIA’s

website, <http://www.mdinsurance.state.md.us/sa/documents/medicaldiscountplans07-08.pdf> or by calling (800) 492-6116, ext. 2217.

7. **Check for a history of complaints.** To find out if any complaints have been 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, ext. 2007.
8. **If you suspect fraud,** contact the Maryland Attorney General's Consumer Protection Division at (888) 743-0023.
9. **For more information about:**
  - Health insurance and things to consider when purchasing health insurance, refer to "A *Consumer Guide to Health Insurance*" available at <http://www.mdinsurance.state.md.us/sa/documents/CGHealth-09-09-web.pdf> or by contacting us at (800) 492-6116, ext. 2360.
  - Discount medical plans and why these are not health insurance, refer to "What Consumers Need to Know about Discount Medical and Discount Drug Plans," available at <http://www.mdinsurance.state.md.us/sa/documents/discountplansbrochure08-09.pdf> or by contacting us at (800) 492-6116, ext. 2360.
  - Health insurance premium and complaint volume, "Health Insurance in Maryland: Premiums and Complaints 2007 and 2008" <http://www.mdinsurance.state.md.us/sa/documents/Healthinsurance-premiumscomplaints-final11-03-09.pdf> or by contacting us at (800) 492-6116, ext. 2360.