

The price you could pay...

You may lose your health coverage if you give up your health insurance because you believe you are finding a better deal with a discount plan. This could leave you saddled with large medical bills.

Promised discounts may be exaggerated or may not exist at all. Your health care may be compromised because the medical providers and treatments the plans promise you may not exist, and many health care providers do not accept discount plans.

Administrative fees and other hidden costs can eat up any savings you might get with a discount plan.

Avoid giving your credit card and checking account numbers to strangers selling discount plans over the phone or Internet. For example, your credit card could be charged discount plan related fees even if you only called for information.

The Kansas Insurance Department does not regulate discount health plans, but it does maintain a list of authorized companies and can refer you to the appropriate authorities if you suspect fraud. We can also help you determine if the coverage you're considering will meet your needs.

Kansas Insurance Department



Contact us:

Online:
www.ksinsurance.org

By email:
KID.commissioner@ks.gov

Consumer Assistance Hotline:
800-432-2484

Main Number:
785-296-3071

By mail:
420 S.W. 9th St., Topeka, KS 66612

By fax:
785-296-5806

Hours:
8 a.m. to 5 p.m. weekdays
(except state holidays)



Vicki Schmidt
*Commissioner of
Insurance*

Discount Health Plans



*What you need to know
to protect yourself.*

A publication of the
Kansas Insurance Department

January 2019

Before you buy

When you shop for affordable health insurance, it's important you know the difference between health insurance and discount health or medical plans. **Discount health plans are not insurance.** These plans just offer lower prices on services from doctors, pharmacists, etc., who accept the plans.

These plans may offer some savings for people without health insurance, but discount health plans are not always what they appear to be.

Buyer beware

A health discount plan is not insurance, so don't cancel any health insurance you have in favor of a discount plan. Also, beware of unsolicited plans that don't clearly identify an insurance company or agent. A health discount plan is not insurance. If you decide to purchase a discount health plan, you should note the following:

- **Slippery sales pitches like "Save up to 60 percent on health care" or "Affordable health coverage."** Calling it coverage could deceive you into thinking you have insurance or guaranteed benefits. Not all plans deliver on their promises.
- **Long-term care discounts.** Do not mistake this for long-term care insurance policies.
- **The fine print.** Read it carefully and make sure it agrees with the promises you hear in the sales pitch.



- **Your treatments.** Find out what medical conditions, prescriptions, treatments and other services are included. Do they match your needs? Do your health care providers honor the plan?
- **Discounted prices.** Are discount prices for goods and services clearly listed? Do they offer a clear reduction over fees you now pay?
- **Providers.** Frequently providers don't even know they've been listed by the discount plan, and thus may not give you the promised discounts. If you plan to use a specific doctor, hospital, pharmacy or other providers, be sure to contact the providers to find out whether they honor the plan's advertised discounts.
- **Hidden fees.** Are large administrative fees hidden in the fine print? Especially

watch for fees that will be charged for each use of your discount plan.

- **Evasive pitches.** Be wary if the telemarketer or sales person seems evasive or ill-informed, if he or she is reluctant to provide you detailed material about the plan or the company, or if the price is offered for a limited time.
- **Ask specific questions.** And demand specific answers.
- **Ask to see the list of providers.** If one isn't available or you're told it isn't available until after you purchase the plan, do not buy it.
- **Know whether your membership fee is refundable.** Can you cancel at any time? What are the procedures for canceling? Will advance payments be refunded?
- **Ask if the company is registered with the Kansas Secretary of State's office.**

Stop, call, confirm.

If you are considering buying a discount health plan, please do the following:

Stop before signing anything or writing a check, authorizing an automatic bank draft or giving your credit card information to anyone.

Call the Kansas Insurance Department to

Confirm that the company you are considering is legitimate and authorized to do business in Kansas.