

Saving Money on Your Insurance

BY JOSE MONTE MAYOR

TEXAS COMMISSIONER OF INSURANCE

Health Care Discount Cards and Referral Plans

MANY TEXAS FAMILIES and small business owners are actively seeking ways to lower their health care costs. For those without health insurance, one tempting option is a discount health referral plan or health discount card. These plans promise that participating doctors and other health care providers will offer a discount on their regular charges. Unless the participating doctor and other health providers have a current agreement with the discount plan, such discounts may not be available.

While the advertising and marketing of health discount plans can often make these products sound very much like insurance, health discount plans are not insurance. Printed material for these products is usually carefully worded, describing the plans as an "alternative" to traditional insurance.

Offers for discount plans or discount cards can be found online, on fax machines, in direct mailings and in the standard media. What often attracts people to these plans is their low price, especially when compared to the cost of a legitimate health insurance plan. We've seen discount plans offered for as little as \$9.99 to well over a hundred dollars a month. At the high end, these plans approach the cost of insurance coverage without providing the same types or levels of protection. Typically discount plans promise a savings of 10 to 40 percent for doctor's visits, hospital stays or prescription drugs.

Before you decide to spend money on one of these discount plans here are some facts to consider:

Remember that discount plans are not insurance. Carrying one of their cards only entitles you to a discount from participating physicians and providers who currently agree to provide the discount. You will be held responsible for most of the bill for any medical procedure or hospitalization even if you receive the promised discount. Getting a 15 percent discount on a \$75,000 procedure still leaves you owing \$63,750. Some doctors or hospitals may not be willing to treat an expensive condition without full payment up front or proof of your ability to pay the bill.

Some consumers have complained that they have trouble finding providers who will accept discount cards. Before signing up for one of these plans, ask for a list of local physicians and providers who have agreed to honor the discount. If your doctor is on that list, call the office to verify that he or she indeed grants discounts to patients who have this particular card. There have been many instances in which physicians and providers were unaware they were listed by discount card sellers.

If you are considering joining a discount program, ask your doctors to tell you their usual fee for uninsured individuals and the fee they would charge someone who presented the program's discount card. Compare the cost and benefits of the discount plan to health coverage from a standard insurance company. The Texas Department of Insurance web site includes a list of all authorized companies that offer individual health insurance in Texas. The link is: www.tdi.state.tx.us/company/lhiah_lst_incl.html

Consumers who believe that a discount plan has misrepresented benefits or treated them unfairly should contact the Consumer Protection Division of the Office of the Attorney General at **1-800-621-0508**.

Employers looking for affordable health insurance plans for their employees should also be careful to avoid unlicensed companies claiming to offer health insurance below market prices. These unauthorized insurers often collect fees for a short while and then disappear when claims are made. A call to TDI's Consumer Help Line at **1-800-252-3439** can verify whether a company is a licensed insurer. You can also verify whether a company or agent is licensed by visiting TDI's website at www.tdi.state.tx.us.

TDI's Web site also has a small business page that includes information about small employer health plans and a rate comparison guide for such plans. The link to the small business page is www.tdi.state.tx.us/commish/smbiz.html. ★

Editors:

- If you need further information, call: **Texas Department of Insurance Public Information Office (512) 463-6425**

We welcome your questions and suggestions about this column.