

Protecting Wisconsin Consumers for 75 Years

Medical discount plans aren't insurance

There is no doubt about it, medical costs are rising. Now, fraudulent telemarketers have turned to promoting medical discount plans as a new way to bilk unsuspecting consumers. These companies claim to offer consumers medical discount plans and cards and then bill their accounts for hundreds of dollars whether or not the consumer wants the plan or card.

Some buyers are misled into thinking the cards are health insurance, and then run up medical bills they don't have the resources to pay.

It starts with fraudulent telemarketers offering a health care discount plan that supposedly will generate savings on prescription drugs and dental, vision, hearing, chiropractic, and nursing services. As part of their pitch, they lead consumers to believe that they're affiliated with the consumer's insurance company, financial institution, or state government. Consumers often can get these benefits on their own for free or at minimal cost.

Legitimate discount cards can offer savings on prescription drugs and visits to doctors, dentists, and other health care providers. But the cards touted by telephone and over the Internet frequently inflate savings, hide "administrative fees" and other costs in fine print, and exaggerate the number of providers that accept them. These medical discount cards can cost more than

they're worth. Ask for all the details in writing before getting the card. If they don't send you the information you may have just avoided a scam.

The tip-off to the medical discount rip-off comes when the promoter asks the consumer to "confirm" some personal financial information, like a credit card or checking account number. The promoters do this in an effort to convince the consumer that they're verifying information they already have. That is not the case. Once the fraudulent promoters have a consumer's account information, they make an unauthorized charge or debit on the consumer's account.

Things to consider

Is it insurance, a discount plan or a scam? Be suspicious if the plan:

- Costs 25 percent or more below the norm, yet promises generous benefits and a large provider network.
- Accepts people with serious illnesses and other medical conditions that other plans probably would reject.
- Seems like insurance, but the agent promoting it avoids using the word "insurance" and instead talks of "benefits."

Is it a legitimate discount plan?

- Determine if fees and membership rates may cost more than the discount received.
- Be wary if the company's consumer hotline refuses to

provide the address and telephone number of the discount health plan.

- Check that your current doctor, pharmacy, dentist and hospital participate in the program.

Identity theft

The Bureau of Consumer Protection advises consumers not to give out personal information — including financial information like credit card or bank account numbers — on the phone or the Internet unless you're familiar with the business that's asking for it. Not only can scam artists use the information to bill your accounts without your permission, but they can also use it to commit identity theft and other types of fraud.

If you think that a telemarketer has tricked you into revealing your credit card or bank account numbers, call your bank or credit card issuer immediately to block any unauthorized charges.

For more information, or to file a complaint, contact the Bureau of Consumer Protection at:

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