



# Is It Really Health Insurance?

## Making Sure You Get What You Pay For

Looking for health insurance? Make sure that's what you're buying, or you could find yourself on the hook for big medical bills with no way to pay them.

That's because what sounds like affordable health insurance may be a *medical discount plan* instead. Medical discount plans can be a way for some people to save money on their health care costs, but **discount plans aren't health insurance**.

The **Federal Trade Commission**, the nation's consumer protection agency, wants you to know that although some medical discount plans provide legitimate discounts, others take people's money and offer very little in return. The FTC and its state law enforcement partners also have found that dishonest marketers selling these plans have tried to make people think they're selling health insurance, or have lied about what their plans really offer.

### Why Does It Matter?

If you buy a health insurance plan, it generally covers a broad range of services, and pays you or your health care provider for a portion of your medical bills. If you buy a medical discount plan, you generally are paying for a list of providers and sellers who may be willing to offer "discounts" on some of their services, products or procedures. Medical discount plans don't pay your health care costs.

### Question Discounts of "Up To"

"Discounts of up to 70%!" — but how often will you save that much? Savings with discount plans typically are a lot less. When you consider a discount plan's monthly premiums and enrollment fees, there may be no "discount" at all. What's more, if you have major health

problems or an emergency, you will have to cover most, or all, of the bills if you don't have health insurance.

### Look at the Details

Medical discount plans aren't a substitute for health insurance — nor are they the same as health insurance. Nevertheless, if you are interested in a discount plan, check whether the doctors you use participate. Call your providers, as well as others on the plan's list, before you enroll or pay any fees. Some plan promoters may tell you that particular local doctors participate when they don't, or they might send you outdated lists. Check out every claim, and get the details of any discount plan in writing before you sign up.

## You Can Afford to Miss Out

Legitimate plans should be willing to point you to written information before you enroll. Pressure to sign up quickly or miss out on a “special deal” is your cue to say, “no thanks.”

## Some Pitches Are After Your Information

Unfortunately, identity thieves also use pitches for medical discount plans and insurance to

get your personal information. Don't give out your financial information to someone who calls you out of the blue, or whose reputation you haven't checked out. You can do that with your state insurance department, your state Attorney General, your local Better Business Bureau, and even by entering the company's name and the word “complaints” in an online search engine to see what others have to say.

### Resources Are Available

Your state insurance commissioner's office can tell you if a plan is not insurance (and licensed in your state), and may be able to alert you to a scam. Find your contact at [naic.org](http://naic.org) or [consumeraction.gov](http://consumeraction.gov). Learn more about medical discount plans at [ftc.gov/health](http://ftc.gov/health).



Federal Trade Commission

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