



Consumer Corner

by Illinois Attorney General LISA MADIGAN



HEALTH CARE DISCOUNT PLANS Get the Facts Before You Buy

Health insurance has become prohibitively expensive for many Illinois consumers. Although so-called **health care discount plans** are often marketed as a solution to this problem, they are not a cure-all. Typically, these plans provide only minor discounts that leave the consumer responsible for the bulk of health care costs.

Q: *My family needs health care insurance, but most plans are out of my price range. I recently saw an ad for something called a health care discount plan that promised health care for the entire family for about \$90 a month, which is a price I can afford. Are these plans generally a good deal?*

A: Health care discount plans can sound very enticing to families and individuals who struggle to find adequate and affordable health care insurance. Unfortunately, many of these plans are not what they appear to be. It is crucial that you understand how these plans work before you make a decision to buy.

Health care discount plans are **not** insurance. Although the ads for some plans might use language that promises full health care coverage—"Health Care for the Entire Family," "All Medical Conditions Accepted"—the plans themselves fall short of providing consumers the health care security they seek.

Consumers who buy these plans are really buying a **discount** on health care fees—a discount not accepted by many health care providers. Even if a provider does accept the discount, the savings to the consumer often amount to a tiny fraction of the total bill. Consequently, families who buy these plans can end up owing thousands of dollars for

health care services for which they thought they had coverage.

Before buying a plan, carefully evaluate your health care needs. Ask for a list of participating health care professionals in your area, and call these professionals yourself to make sure they accept the plan.

Determine whether the plan will really save you money. Often, the cost of the plan will add up to more than the discounts you receive. Make sure the plan provider discloses all of the plan's costs and fees. Additionally, be sure to get a clear explanation of the payment rules from the plan provider. Find out if you will be given the discounted rate at the time a health care service is provided or if you will have to pay in full and wait for reimbursement from the plan provider. Also, ask if the plan has pre-authorization rules for hospital stays.

Before choosing a health care discount plan, contact the Illinois Department of Insurance at 312-814-2427 or 217-782-4515 to find out if the plan is registered as required by law. To find out if any complaints have been filed against a plan, or if you feel an ad has misled you into buying a plan that does not meet your expectations, please call my office's Health Care Helpline at 1-877-305-5145 (TTY: 1-800-964-3013).