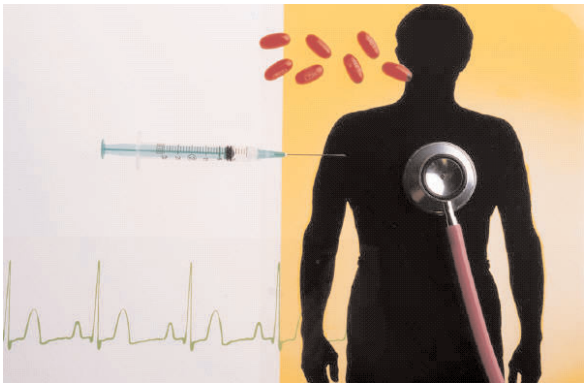
CONSUMER ALERT

DISCOUNT HEALTH PLANS

What Consumers Should Know



What Are Discount Health Plans?

Discount health care plans are **not** insurance, but as their name implies, these plans offer discounts for medical services from hospitals and doctors. Discount Health Plans usually charge a membership fee in exchange for a list of health care providers who will provide services at a discount rate to its members.

Are Discount Health Plans Regulated Like Health Insurance In Virginia?

No. Discount health plans are **not** considered health insurance. Therefore, they are not regulated by the State Corporation Commission's Bureau of Insurance. If something were to go wrong with a discount health plan, the consumer protections available to purchasers of health insurance regulated by the Bureau of Insurance would NOT extend to the purchasers of discount health plans.

To make sure the insurance coverage you are considering purchasing is offered by a licensed insurer in Virginia, call the Bureau of Insurance at 1-877-310-6560 or log onto our website www.state.va.us/scc/division/boi.

How Are Discount Health Plans Marketed?

Many discount health plans are sold through direct mailings to consumers or via faxes and the Internet. Others are advertised on television or in local newspapers.

Where Can I Go If I Have A Complaint About A Discount Health Plan?

To file a complaint about a discount plan being marketed in Virginia, visit the Virginia Department of Consumer Affairs toll free at 1-800-552-9963 or their website at www.vdacs.state.va.us, or the Federal Trade Commission toll free at 1-877-382-4357 and TTY: 1-866-653-4261 or their website at www.ftc.gov.

Stop & Think/Be a Smart Consumer

- If you drop your health insurance after buying a discount health plan and later decide to buy health insurance again, your new health insurance may not cover pre-existing conditions.

- Review your discount health plan information carefully. It may not guarantee advertised services.

- Seniors should be especially cautious when considering these plans. Some providers may not honor discounts for Medicare reimbursed services.

- Call the participating providers that you want to use to make sure they will accept the discount that is advertised.

- Check to see if any deductibles apply.

- Ask about the plan's cancellation and refund policy.

- Keep copies of all materials you submit and receive from the plan.

- Remember: If it seems too good to be true, it probably is.