



## Frequently Asked Questions on Medical Discount Plans in Connecticut

The Connecticut Insurance Department wants to provide consumers with information on medical discount plans to help consumers understand these plans, what they offer and what are possible pitfalls.

Consumers should be aware of two important points before purchasing a medical discount plan:

- Medical discount plans are NOT health insurance, but rather only provide a discount on a participating medical provider's normal fee for services.
- Consumers should only purchase a medical discount card from a Medical Discount Plan (MDP) Organization which has been licensed by the Connecticut Insurance Department.

A consumer should NEVER under any circumstances purchase a medical discount plan card from an unlicensed MDP. Many consumers nationwide have been harmed by "purchases" from unlicensed entities. It is ALWAYS best to check with the Connecticut Insurance Department first to determine if the MDP is permitted to do business in Connecticut.

The Insurance Department is providing the following questions and answers to assist consumers in making educated choices when considering the purchase of a medical discount plan.

### **1. What is a Medical Discount Plan?**

Under Connecticut law a medical discount plan is a plan that provides access for its members to providers of health care services and the right to receive services from these providers at a discount. The organization offering these programs is called a Medical Discount Plan Organization and it must be licensed in order to sell its medical discount plan cards and do business in Connecticut. Again, these programs are NOT health insurance but rather discount programs.

### **2. What medical services may be offered at a discount through an MDP?**

MDPs in Connecticut laws may offer discounted services on a wide variety of medical services, including vision and dental services.

### **3. Does Connecticut allow MDPs to do business in its state?**

Yes, but only if the Medical Discount Plan Organization submits an application to the Connecticut Insurance Department and meets all the statutory requirements in order to obtain a license. Once reviewed and approved by the Insurance Department, the entity can receive a license to operate as a Medical Discount Plan Organization in Connecticut.

#### **4. Why do consumers purchase an MDP card?**

The Department encourages consumers to first check all options to obtain health insurance, and the Department can assist consumers with these efforts. However, if a consumer is unable to obtain health insurance, an MDP card may be of interest. Also, if a consumer has health insurance but it does not cover certain ancillary services such as dental or vision, an MDP card may be beneficial. The Department encourages consumers to evaluate their needs carefully before purchasing a medical discount plan card and membership.

#### **5. What pitfalls should consumers be aware of?**

There are many MDP operations on a nationwide basis which are unlicensed and unscrupulous. They solicit via bogus internet offers, fax blasts (unsolicited faxes), unsolicited phone calls, and other methods. Do NOT under any circumstances provide credit card information, checking account information, or any other banking information to entities which you have not carefully researched. ALWAYS check first with the Connecticut Insurance Department to determine if you are considering a purchase from a legitimate licensed entity, rather than from an unauthorized unlicensed entity.

Please see the attached links from the Federal Trade Commission which contain valuable warning information.

<http://www.ftc.gov/bcp/edu/pubs/consumer/alerts/alt122.shtm>

<http://www.ftc.gov/bcp/edu/microsites/medicaldiscountscams/index.shtm>

#### **6. If I have further questions about Medical Discount Plans, where can I go for assistance?**

Consumers who have questions about MDPs or who want to learn if an MDP is licensed, may contact us for assistance:

Connecticut Insurance Department

Consumer Affairs Division

(800) 203-3447 – Toll Free from Outside Hartford

(860) 297-3900 – Direct Line

Email: [ca.cid@ct.gov](mailto:ca.cid@ct.gov)

Department website: [www.ct.gov/cid](http://www.ct.gov/cid)