

Beware Of Fraud When Buying Health Insurance

(NAPSA)—Be on guard when purchasing health insurance. Buying the wrong product could leave you on the hook for sizable medical bills with no way to pay for them.

That's because what sounds like affordable health insurance may not be health insurance at all. It may be a medical discount plan.

Medical discount plans can help some people save money on health care, but discount plans aren't health insurance.

That's the word from the Federal Trade Commission (FTC), the nation's consumer protection agency. The FTC wants you to know that although some medical discount plans provide legitimate discounts, others take your money and offer very little.

The FTC and its state law enforcement partners also 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.

Medical discount plans are not the same as insurance

Health insurance 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 are generally 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.

Medical Discount Plan Scams



Buyer beware—Consumers sometimes think they are buying health insurance when in fact they are being sold a medical discount plan. They are not the same thing.

Also, legitimate plans should be willing to point you to written information about it before you enroll. Pressure to sign up quickly or miss out on a "special deal" is your cue to say, "no, thanks."

Beware of identity thieves

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 or your local Better Business Bureau.

Resources are available

Your state insurance commissioner's office can tell you if a plan is or is not insurance—and if it's licensed in your state. It may also be able to alert you to a scam. Start by visiting www.naic.org or www.consumeraction.gov. You can learn more about medical discount plans at www.ftc.gov/medicaldiscountscams.