What are medical discount cards and could they help people in CT?

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Marketed to the uninsured, medical discount cards promise subscribers access to significant savings on health services. Fees range from $13 to 148 per month for a single person, plus significant one-time enrollment fees. For this, the card companies claim to offer discounts of up to 80% off doctor visits, hospitalizations, surgery, tests and other medical services. Medical discount cards are NOT insurance - the card company pays no claims but only offers discounts, consumers must pay their medical bills.

Sounds good, what's the problem?

A recent study by Mila Kofman and others at Georgetown University found that medical discount cards do not measure up to their promises.

Discounts are small, not worth the high fees. Discounts are far less than promised. Consumers can often get better discounts just by asking.

Marketing for medical discount cards is misleading. Companies use high-pressure sales tactics. Consumers are led to believe that they are buying insurance.

Provider directories are inaccurate. Researchers found that many providers listed do not participate. One provider phone number listed turned out to be an auto body shop.

What can CT do to protect consumers?

CT has taken an important step in passing PA 05-237, An Act Concerning Medical Discount Cards. The new law allows the Insurance Dept. to license and monitor companies selling medical discount card plans.

An important first step, the law needs to be strengthened. Resources must be allotted to audit companies and collect consumer complaints. The state must reach out to educate consumers about the risks of these cards. Penalties for misleading consumers must be substantial.

Bottom Line: Connecticut needs to strengthen regulation of medical discount cards to protect uninsured consumers.