



Consumer Alert

Nebraska Department of Insurance
402-471-2201 ~ Toll-free Consumer Hotline 1-877-564-7323
www.doi.ne.gov

Discount Health Plans

Many advertisements today promise affordable health care or family health coverage for a relatively low monthly rate. Though the program may sound like an insurance plan, and may even include a small insurance component, it does NOT provide comprehensive health insurance protection. It may actually be a discount health plan.

Before you purchase a discount health plan, consider the following important points:

- A discount health plan is NOT insurance.
- Claims of “insurance” may reflect only limited or minimal supplemental coverage, leaving you responsible for a majority of the bill.
- Discount plans do not pay medical benefits. The advertisers of these programs promise to negotiate discounts with medical providers, but you are responsible for paying the bill.
- The actual discount (the amount you save) is not generally known when you enroll in the plan. Claims of discounts “up to 60%” are not guarantees, and actual discounts may be considerably less.
- Providers may stop participating in the discount program at any time.
- A discount is usually dependent upon immediate payment at the time of service. Your provider may be willing to negotiate similar discounts without membership in a discount plan.

Do not purchase a discount health plan until you can answer each of the following questions:

- What do I know about the company offering the plan; is it a legitimate business? Is it licensed?
- Has a copy of the plan been given to me, with all benefits detailed in writing, before I’m asked to pay?
- Have I telephoned my doctor’s office to make sure he or she is currently a participating provider?
- Have I verified the actual amount of the savings I will realize?
- Who do I contact if I have a problem?
- What is the procedure for canceling my membership, and what portion of my payment is non-refundable?
- Did I contact the Better Business Bureau for consumer report information?
- What can the Nebraska Office of the Attorney General or the Nebraska Department of Insurance tell me about this program?

If you have additional questions about discount health plans, you may contact the Office of the Attorney General or the Department of Insurance for more information.

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Local Calls: 471-2201 Toll-Free Consumer Hotline: 1-877-564-7323 Website: www.doi.ne.gov

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