

# Discount Healthcare Programs: A Consumer's Guide to Choosing the Best Program



## About the Consumer Health Alliance

The Consumer Health Alliance (CHA) is the national trade association of the discount healthcare industry. Our member companies make healthcare products and services, including prescription drugs, dental, chiropractic, eye care, physician, hospital and laboratory services, available to millions of Americans by providing opportunities for consumers to directly purchase healthcare services and products at discounted rates. CHA was founded in 2002 and represents discount healthcare programs that are not insurance. Its member companies serve more than 28 million consumers nationwide. Its mission is to educate consumers and regulators about the benefits of discount healthcare programs, promote fair and ethical business practices and to work with state legislators and regulators to ensure that regulation of the industry protects consumers' right to access affordable healthcare services and products.

The discount healthcare industry has grown to serve more than 28 million consumers across the U.S. because consumers seek cost-effective solutions to their basic healthcare needs.

We created this guide to help you identify reliable discount healthcare programs.

## Why Choose a Discount Healthcare Program?

## How You Benefit with a Discount Healthcare Program



### **Discount healthcare programs are NOT insurance.**

Discount healthcare programs enable consumers to purchase healthcare products and services from providers at discounted prices, similar to the rates that healthcare providers charge wholesale customers such as preferred provider networks (PPOs) or large insurance plans.

Many consumers choose a discount healthcare program to complement their health insurance plan, filling gaps such as prescription drug benefits, chiropractic, dental or vision care which are often not included as part of a health insurance plan.

Discount healthcare programs have gained popularity because they provide consumers with low-cost access to the healthcare they need and the opportunity for savings that greatly exceeds the cost of the program – with the flexibility of monthly membership.

In addition, discount healthcare programs typically include the member's entire household.

Discount health programs were created to help bridge the gap for consumers burdened by the increasing cost of healthcare by providing opportunities to directly purchase healthcare services and products at discounted rates.

### **Discount healthcare programs offer:**

**Access:** Everyone can use discount programs to receive access to substantial savings on healthcare services such as doctor visits, hospitalization, prescription drugs, eyeglasses and dental care that they might otherwise not afford.

**Savings:** Whether you are an individual family without insurance, someone with limited insurance, or even someone with full health insurance that does not cover all healthcare services, you can save money on your healthcare needs with a discount program.

**Convenience:** Discount programs are accepted at some of the nation's largest healthcare retailers including national pharmacy and optical chains. Many companies offer programs with providers that include:  
•Pearle •LensCrafters •Medicine Shoppe  
•Eckerd •Safeway •Wal-Mart •Target  
and many more!

**Affordability:** While the cost of healthcare has risen rapidly in recent years, discount healthcare programs have kept their monthly charges virtually unchanged.

# Frequently Asked Questions

## **What are discount healthcare programs?**

Discount healthcare programs provide one part of the solution to the nation's healthcare crisis by enabling consumers to purchase healthcare products and services at discounted rates. Discount healthcare programs are not insurance and are not intended to replace insurance. In fact, many consumers choose a discount healthcare program to complement their health insurance plan, filling gaps such as prescription drug benefits or vision care, chiropractic care, or dental care which are often not included as part of a health insurance plan.

## **What types of services are typically included by discount healthcare programs?**

Discount healthcare programs offer a wide range of services and products including dental services, prescription drugs, vision care, chiropractic procedures, hearing care, physician, hospital & laboratory services, nurse medical information lines, vitamins and alternative medicine. You can choose a program that offers discounts on services that you need.

## **Who should use discount healthcare programs?**

The wide array of choices in the discount healthcare industry and the many discounts available make it possible for everyone to enjoy the benefits of discount healthcare programs. Discount healthcare programs are designed to provide benefits for a wide-range of consumers. For individuals and families without insurance, discount healthcare programs offer substantial savings on healthcare services such as doctor visits and on everyday health related expenses including prescription drugs, eyeglasses and dental care that they might otherwise not afford.

For those with limited insurance and insured individuals with high deductibles, discount healthcare programs can offer discounts for services that may not be covered by insurance such as vision, dental, and chiropractic care.

## **How do consumers get discount healthcare programs and how do they work?**

You can obtain discount healthcare programs either through an association, union, or another entity with which you are connected. In addition, many of the country's Fortune 500 companies now offer discount

healthcare programs to their employees as part of their benefits packages. You can also join directly with a reputable discount healthcare company, such as those associated with the Consumer Health Alliance.

Signing up for a program is easy. Complete an application and pay a monthly fee. You will receive a discount card and membership materials explaining the program. To access care and receive savings, a member must simply provide the discount card to a participating provider at the time health services are rendered and pay the discounted fee.

## **How do discount healthcare programs offer such benefits?**

Discount healthcare programs contract with networks of healthcare providers who have agreed to charge members a discounted rate. These rates are similar to the rates that healthcare providers charge wholesale customers such as preferred provider networks (PPO) or large insurance plans.

## **What is the difference between discount healthcare programs and health insurance?**

Discount healthcare programs are not insurance. Discount healthcare companies who indicate otherwise are not being truthful. Unlike health insurance, there is no sharing of risk by the consumer and the discount healthcare company.

Discount healthcare programs afford consumers the opportunity to directly purchase healthcare services and products from providers at amounts discounted below their retail rates. Members are required to pay the provider's discounted fees in full at the time healthcare services are rendered. Consumers are free to make their own choices about which services to purchase and from whom to make those purchases.

Insurance plans, on the other hand, may limit certain procedures, exclude pre-existing conditions, or deny coverage to some individuals. Insurance plans also pay health care providers on behalf of the consumer, while a discount healthcare program member is responsible for paying the entire discounted rate directly to the healthcare provider.

# Frequently Asked Questions

## **I recently opened a Health Savings Account (“HSA”) in conjunction with my high deductible insurance plan. Why would I consider also having a discount health card?**

If your high-deductible insurance plan does not provide dental, vision, pharmaceutical benefits or coverage for family members, then a discount healthcare program could be complementary to your insurance plan.

## **Do I still need insurance if I have a discount healthcare program?**

Discount healthcare programs are not intended as a substitute for insurance. Discount programs and insurance plans frequently provide complementary benefits. That is why many of the nation’s leading companies offer their employees both insurance plans and discount programs. CHA strongly recommends that each individual evaluate his or her own health needs and the various benefits offered by each type of program.

## **How can consumers be assured the discounts they are receiving are real?**

CHA member companies enable consumers to access similar rates that healthcare providers charge wholesale customers such as preferred provider networks (PPO) or large insurance plans. The discounts are typically calculated from the providers’ retail rates.

## **Why has there been controversy surrounding some discount healthcare programs?**

Millions of consumers have embraced discount healthcare programs because of their value and simplicity. This popularity has led a number of companies to enter the discount healthcare business. Unfortunately, not all of them are reputable. Some programs charge steep up-front fees or promise dramatic savings they can’t deliver, while others bombard consumers with misleading and confusing sale pitches.

CHA was created, in part, to educate consumers about the benefits of discount healthcare programs and, just as importantly, about the dangers of fraudulent companies who attempt to prey on consumers. CHA attempts to inform consumers as to how they can identify vendors in the discount healthcare industry that adhere to the pro-consumer standards CHA advocates.

## **How is CHA educating consumers about discount healthcare programs and vendors?**

CHA has developed background informational and educational materials for consumers and media. These materials are available on our website at [www.consumerhealthalliance.org](http://www.consumerhealthalliance.org).

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## **9 Tips for Shopping for a Discount Healthcare Program**

- 1** Shop around. Every program is different. Find the program that offers the benefits and services that best suit your needs at a reasonable price.
- 2** Make sure the discount program has clear and understandable disclosure materials that specifically define the terms and conditions of the program.
- 3** Look for programs that provide toll free numbers and/or websites where you can obtain additional information about the program's benefits and the healthcare providers who are participating in it.
- 4** Read the program's complaint and refund policies carefully to determine if they are reasonable. The company should offer a 30-day refund policy for your enrollment fee.
- 5** Make sure the program's materials clearly state that the **discount program is not insurance**.
- 6** Be sure the program's benefits do not duplicate your current health insurance policy or other health benefits offered by your employer.
- 7** Be wary of any program that requires large up-front fees.
- 8** Read all materials carefully.
- 9** When in doubt about a discount healthcare program, check the company out with your local Better Business Bureau, State Insurance Department or State Attorney General’s office.



# Frequently Asked Questions

## How can you tell if a discount healthcare program is reputable?

In addition to this checklist, we recommend consumers look for the Consumer Health Alliance (CHA) logo on the company's marketing materials. CHA helps protect consumers' rights to choose affordable and viable healthcare programs and products through education and advocacy, and has established an industry-wide Code of Conduct.

Each CHA member is required to abide by CHA's Code of Conduct. The Code of Conduct is the centerpiece of our efforts to promote good business practices within the discount healthcare industry, to secure and protect consumers' rights to access affordable healthcare and to inform the public about the benefits that discount healthcare programs offer to millions of Americans.

## What specifically does the Code of Conduct cover?

The Code of Conduct sets baseline standards to help ensure that consumer discount healthcare companies conduct their activities with integrity, fairness and accountability.

The Code of Conduct mandates that member companies describe the terms and conditions of the program, including the consumer's contracted discount. It requires all participating providers to be under contract to offer discounted rates to members. In addition, the Code of Conduct outlines acceptable practices related to consumer marketing, customer service, complaint resolution, and cancellation policies, among other critical items.

Most importantly, CHA hopes that membership in the association becomes a sign that consumers can look to with confidence in determining the integrity of discount healthcare programs. Adherence to the Code of Conduct is required for organizations to be members of CHA.



## Who belongs to CHA?

A current list of CHA member companies that offer discount programs is posted on the CHA website at: [www.consumerhealthalliance.org](http://www.consumerhealthalliance.org). Click on the "About" tab.

## Questions about CHA?

Visit our website at: [www.consumerhealthalliance.org](http://www.consumerhealthalliance.org) to learn more about our member companies and the vital role they play in helping to reduce healthcare costs for you and your family.



**CONSUMER HEALTH ALLIANCE**

**PROTECTING CONSUMER ACCESS  
TO DISCOUNT HEALTHCARE PROGRAMS**

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