

Beware of Unlicensed Health Plans

As a Massachusetts resident (age 18 or older) you are now required to have health coverage or face a tax penalty (unless you are exempt or get a waiver). If you are now shopping for health insurance, the Massachusetts Division of Insurance and the Massachusetts Attorney General's Office want to help you make a smart health plan choice and avoid scams.

Check to make sure the health plan is licensed. You should only buy health insurance from a company that is licensed by the Massachusetts Division of Insurance. To make sure a health plan is actually insurance, call the Division at (617) 521-7794 or check the website at www.mass.gov/doi.

Beware of health plan promises that seem too good to be true. Don't be fooled by bogus health plans that seek unsuspecting consumers on the internet and through unsolicited faxes and phone calls. Don't be fooled by health plans that sound too good to be true or that advertise a limited time offer. You should never respond to an unsolicited fax or provide personal information to a telemarketer. You should always be careful when surfing the web. Unless you know who sent you the fax or set up a website, don't trust them with your money or your personal information.

Don't be fooled by discount plans or cards. Don't buy a discount plan or card as an alternative to health plan coverage. Discount plans/cards do not pay anything toward your medical claims. Instead, they may allow you to get a discount on some of your medical expenses. Discount plans/cards may look like a cheap health plan, but they are not health insurance and they do not meet your Massachusetts "individual mandate" requirement for health coverage.

Discount plans/cards may promise big savings, but you may end up with no savings and no way to get your money back. Discount plans/cards are not regulated by Massachusetts or federal law, so buyer beware and know what you are getting before you sign up for a discount plan. You should check with your doctor or local pharmacist to ask whether you will receive any real savings before you give your money or your personal information to anyone offering health care discounts.

Read the fine print before choosing a health plan. Always take a close look at plan benefits and limitations before you sign up or pay any fees. That way you can see in advance if the plan is right for you and your family. Make sure you understand what the plan covers and does not cover. And remember to add up how much you will have to pay out of your pocket for deductibles and co-payments and items that are not covered. High out-of-pocket costs can soon wipe out the savings of lower monthly premiums.

Where to find help. Choosing a health plan is one of the most important decisions you will make. Make sure you get what you pay for. If you think you may have fallen victim to a scam or if you have questions about a health plan or insurance company, please call the Attorney General's Health Care Hotline at 1-888-830-6277, or the Division of Insurance Consumer Service Section at (617) 521-7794.

Look for the warning signs of a scam. Beware of:

- Advertising that does not give the specific name and address of the insurance company offering the health plan.
- High-pressure sales tactics that tell you a low monthly price is a limited time offer and will expire in a day or two.
- Telephone marketers who ask for your personal financial information in order to enroll you immediately.
- Companies that won't provide any written information about the health plan unless you pay first.