

Article - Insurance

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§14–606.

A discount medical plan organization and a discount drug plan organization may not:

(1) use in their advertisements, marketing material, brochures, and discount cards the term “insurance” except:

(i) in the name of an insurer, nonprofit health service plan, health maintenance organization, or dental plan organization whose corporate name includes the word “insurance”;

(ii) when comparing the discount medical plan or discount drug plan to insurance or otherwise distinguishing the discount medical plan or discount drug plan from insurance; or

(iii) as otherwise provided in this subtitle;

(2) use in their advertisements, marketing material, brochures, and discount cards the terms “health plan”, “coverage”, “copay”, “copayments”, “preexisting conditions”, “guaranteed issue”, “premium”, “ppo”, “preferred provider organization”, or other terms in a context that could reasonably mislead a person into believing the discount medical plan or discount drug plan was health insurance;

(3) have restrictions on access to discount medical plan or discount drug plan providers, including waiting periods and notification periods;

(4) pay providers any fees for medical services, pharmaceutical supplies, prescription drugs, or medical equipment and supplies, except that a discount medical plan organization or a discount drug plan organization that also has an active registration under Title 8, Subtitle 3 of this article may continue to pay fees to providers in its capacity as a third party administrator;

(5) refuse to modify the method of payment for membership in a discount medical plan or a discount drug plan on request, unless a specific method of payment is required as a term of the discount medical plan or the discount drug plan and was agreed to in writing in advance;

(6) if membership is billed on a monthly basis, refuse to permit membership to terminate without financial penalty on no more than 30 calendar days’ written notice; or

(7) (i) continue electronic fund transfer as a method of payment more than 30 calendar days after a written request for termination of electronic fund transfer has been made; or

(ii) require the member to notify more than one entity that is either the discount medical plan organization or the discount drug plan organization or an entity identified by the discount medical plan organization or the discount drug plan organization that electronic fund transfer should be terminated.

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