

PROJECT HISTORY 2006

DISCOUNT MEDICAL PLAN ORGANIZATION MODEL ACT (

1. Description of the project, issues addressed, etc.

This model law was drafted to address an issue of increasing concern to state departments of insurance the rising number of consumer complaints about discount medical cards. This new model establishes a comprehensive regulatory scheme to enable regulators to track these entities and ensure that these entities are legitimate and not fraudulent; sets out uniform disclosure requirements to ensure that consumers know what they are buying; sets out uniform marketing and advertising requirements to ensure that these cards are not being marketed to consumers in a fraudulent or misleading way; and includes strict provider contracting requirements to ensure network adequacy and the actual existence of network providers to provide the promised discounts to consumers.

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| 2. Name of group responsible for draft the model: | Colorado | Oklahoma |
| | District of Columbia | Ohio |
| | Illinois | Oregon |
| | Indiana | South Dakota |
| | Kansas | Utah |
| | Maryland | Vermont |
| | Minnesota | Wisconsin |

3. Project authorized by what charge and date first given to the group

The following charge given in 2005:

Review issues surrounding health discount plans and draft a model law for the Winter 2005 Meeting.

4. A general description of the drafting process (e.g., drafted by a group, etc). Include any parties outside the members that participated

The model

requirement to ensure that if there was a problem with a DMPO that there would be some resources that could be used for the benefit of medical plan members.

Another issue debated extensively throughout the drafting process concerned “bundling”. As part of their