

CONSUMER ALERT

Providing consumers with knowledge to make informed decisions

A Publication of the South Carolina Department of Consumer Affairs

Philip S. Porter, Administrator/Consumer Advocate

YOU AND DISCOUNT PRESCRIPTION DRUG CARDS

Discount prescription drug cards are an appealing alternative to many consumers. Discount drug cards are often advertised as accessible, cost effective and easy.

Memberships are usually open to everyone: individuals, company employees, independent agents and organizations. Drug cards are specifically appealing to seniors who may need the discount to offset their medication costs not covered by Medicare. However, these drug cards are not a good alternative for everyone.

Though the South Carolina Department of Insurance registers the companies that actually do the selling, marketing, promoting, advertising and distributing of discount drug cards, the South Carolina Department of Consumer Affairs actually handles the consumer complaints regarding these cards.

The South Carolina Department of Consumer Affairs wants to inform and educate consumers across the state about discount prescription drug cards.

Discount drug cards are becoming increasingly popular, so popular that state lawmakers have recently amended the laws of South Carolina to further protect consumers from drug cards that may not be honored by pharmacists.

The law states that discount drug cards must meet four key criteria. First, the providers of these cards must register with the South Carolina Department of Insurance. Next, the card must clearly and prominently state that the card is not insurance. Thirdly, the card suppliers are required to provide documentation to the Department of Insurance that the discounts are specifically authorized and the card supplier has a separate

contract with each pharmacy or pharmacy chain that will honor the cards. Finally, the discounts provided cannot be misleading, deceptive or fraudulent.

What does this mean to you the consumer?

Discount prescription drug cards are not bad products; however, it is necessary to make sure that the plan suits your unique needs.

In order to find out if a particular drug card is right for you, your family or your business, you should carefully read the plan and ask the following questions.

***What types of health care and medicines are covered in this plan?**

Some cards may claim to offer services that are not actually provided. The discount may be for specific types of drugs or services and may not meet your needs.

***Who is covered in this plan?**

The card may or may not cover your entire family. It is possible it covers the purchaser of the card only.

***Are the card providers registered with the South Carolina Department of Insurance?**

Take a look at who is providing the discount cards and what is its motivation for providing the card. Organizations may offer discount cards to their members as a benefit of membership. Be wary of suppliers. Some card suppliers may use the information you provide as a marketing tool.

*** Will local pharmacies accept this card?**

As stated above, state law requires a discount card supplier to provide in writing a list of pharmacies that are participating with the card program. Make sure you get a documented list of the pharmacies that will honor the card.

***How much does the card plan cost?**

Take the time to examine how much of a saving you will gain from the card. If the card costs more than what you would save in prescriptions, it is obviously not much of a saving.

***Are you giving up medical record confidentiality to receive the discount?**

Is the motivation of the discount card supplier to use your personal confidential information for other purposes. Make sure that your personal records are not going to be used or sold for any purposes you are not comfortable with.

***If you are already on medication, do pre-existing conditions affect your enrollment?**

Read the fine print. Make sure that the card will cover your medication costs, not just certain manufacturers' products.

***Can you the consumer verify the true amount of the discounts?**

Read the extra fine print. The discounts may be very specific and not much of a value to you. If the discounts are limited in scope, it may not apply to what you need most.

***Are the offered discounts exaggerated to sell the cards?**

The discounts cannot be misleading, deceptive or fraudulent under the law. Make sure you are getting what you paid for.

Don't discount your good health. Purchase wisely and purchase for value. Ask your pharmacist if you have any questions. He is your drug expert.

In this issue:

Discount Prescription Drug Cards.....	1
Fair Debt Collection.....	2
Commonly Asked Questions.....	2
The Bulletin Board.....	2
Scams.....	2

FAIR DEBT COLLECTION

Do you use credit cards, owe money on a personal loan, or are you paying on a home mortgage? If so, then you are a "debtor" and you should know that the Fair Debt Collection Practices Act requires that debt collectors treat you fairly by prohibiting certain methods of debt collection. Keep in mind that the law does not forgive any legitimate debt you owe. Below please find a few important questions and answers that will help you to understand the Fair Debt Collection Practices Act.

Commonly Asked Questions:

What debts are covered?

Personal, family, and household debts are under the Fair Debt Collection Practices Act. This includes money owed for the purchase of an automobile, for medical care, or for charge accounts.

Who is a debt collector?

A debt collector is any person, other than the creditor, who regularly collects debts owed to others. This includes attorneys who collect debts on a regular basis.

How may a debt collector contact you?

A collector may contact you in person, by mail, telephone, telegram, or FAX. A debt collector may not contact you at unreasonable times or places.

Can you stop a debt collector from contacting you?

You can stop a collector from contacting you by writing a letter to the collection agency telling them to stop. Once the agency receives your letter, they may not contact you again except to say there will be no further contact. The agency may not notify you at work if the collector knows that your employer disapproves.

What types of debt collection practices are prohibited?

Debt collectors may not harass, oppress, or abuse anyone, debt collectors may not use any false statements when collecting a debt, and debt collectors may not engage in unfair practices when they try to collect a debt.

What can I do if you believe a debt collector violated the law?

You have the right to sue a collector in a state or federal court within one year from the date you believe the law was violated.

Source: Federal Trade Commission Bureau of Consumer Protection Office of Consumer & Business Education

Coming Soon

The Bulletin Board

A weekly opportunity for you to interact online with the South Carolina Department of Consumer Affairs' staff.

SCAMS

Telecommunication Scams Using FCC Licenses

* Fraudulent investments in high technology and Federal Communications Commission (FCC) licenses are a fast growing scam.

* If a company calls you touting the profits and minimizing the risks of investing in communications systems and licences, hang up the phone.

* An FCC license is mere permission to use radio spectrum (the airwaves) to provide communications services. A license holder must develop a communications system to make the license valuable and comply with FCC rules.

* Fraudulent telemarketers often take most of the money they solicit from consumers as profit and commissions.

Source: Federal Trade Commission

To request free educational materials or to arrange a speaker please contact:

Sherry King
S.C. Dept. of Consumer Affairs
3600 Forest Drive,
P.O. Box 5757
Columbia, SC 29250
1-800-922-1594

king@dca.state.sc.us

Brandolyn Thomas C. Pinkston.....Deputy Public Information & Education
Sherry King Gore.....Education Coordinator
Shana Kinard.....Newsletter Editor

