

By: Representatives Howell, Formby, Smith  
 (39th), Dedeaux, Hines, Upshaw, Flaggs,  
 Ellington, Clark, Holloway, Snowden, Holland,  
 Clarke, Wells-Smith, Broomfield, Chism

To: Insurance

HOUSE BILL NO. 1282

1 AN ACT TO DEFINE HEALTH DISCOUNT PLANS; TO PROVIDE  
 2 LIMITATIONS ON THE DISTRIBUTION OF SUCH HEALTH DISCOUNT PLANS AND  
 3 CARDS; TO DIRECT THE MISSISSIPPI COMMISSIONER OF INSURANCE TO  
 4 ISSUE REGULATIONS REGARDING THE LIMITATIONS ON SUCH PLANS; TO  
 5 BRING FORWARD SECTION 83-5-85, MISSISSIPPI CODE OF 1972, FOR  
 6 PURPOSES OF AMENDMENT; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** (1) "Health discount plan" means a card,  
 9 program, device, arrangement, contract or mechanism that purports  
 10 to offer discounts or access to discounts on health care services  
 11 or supplies that is not insurance or that does not provide  
 12 coverage for services or benefits regulated under Section 83-9-1  
 13 et seq., Mississippi Code of 1972.

14 (2) A person may not sell, market, promote, advertise or  
 15 otherwise distribute a health discount plan unless:

16 (a) Each advertisement, policy, document, information,  
 17 statement or other communication regarding the health discount  
 18 plan and the plan itself contain a statement, in bold and  
 19 prominent type, that the health discount plan is not insurance;

20 (b) The discounts offered under the health discount  
 21 plan are specifically authorized by a contract with each provider  
 22 of the services or supplies listed in conjunction with the plan;

23 (c) The health discount plan states the name, address  
 24 and telephone number of the administrator of the plan;

25 (d) The person makes readily available to the consumer  
 26 a complete, accurate and up-to-date list of providers  
 27 participating in the plan that offer discounted health care  
 28 services or supplies in the consumer's local area and the  
 29 discounts offered by the providers;

30           (e) The person provides the consumer the right to  
31 cancel the health discount plan within thirty (30) days after  
32 purchase of the plan; and

33           (f) The person provides the consumer with a full refund  
34 of all payments made, except for a nominal processing fee, within  
35 thirty (30) days after notification of cancellation of the plan  
36 under paragraph (e) of this subsection.

37           (3) The Commissioner of Insurance may adopt regulations to  
38 implement this section and to establish additional requirements  
39 intended to prohibit unfair or deceptive practices relating to  
40 health discount plans.

41           **SECTION 2.** Section 83-5-85, Mississippi Code of 1972, is  
42 brought forward as follows:

43           83-5-85. For violation of any provisions of the insurance  
44 laws of Mississippi, the penalty whereof is not specifically  
45 provided, the offender shall be guilty of a misdemeanor and, on  
46 conviction, shall be punished by a fine of not more than Five  
47 Thousand Dollars (\$5,000.00). For expenses in seeking out,  
48 detecting and punishing violations of such laws, the commissioner  
49 may assess an additional penalty to be paid by the offender as  
50 restitution in an amount to cover such expenses as may be approved  
51 by the court.

52           The penalties authorized by this section are cumulative and  
53 supplemental to any other penalty, fine or other sanction, and  
54 shall not be a bar to any other civil cause of action or criminal  
55 prosecution.

56           **SECTION 3.** This act shall take effect and be in force from  
57 and after July 1, 2007.