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**Contact:** Jan Mendoza  
(916) 322-2310  
Denise Schmidt  
(916) 322-9727

## **DMHC LICENSES FIRST DISCOUNT HEALTH CARD PLAN IN CALIFORNIA**

**(Sacramento)** -- The Department of Managed Health Care (DMHC) today announced that San Diego-based First Dental Health will be the first discount health card plan to be issued a license to operate in California.

“We are working in partnership with state and private companies to craft a solution to some of the problems that have been caused by fraudulent discount health card plans,” said Cindy Ehnes, Director of the California Department of Managed Health Care. “By requiring that discount health card plans meet licensing requirements, we can provide strong consumer protections, and providers will also benefit as consumers learn that they can rely on licensed discount health card plans to deliver what they advertise.”

Discount health cards like First Dental Health provide an alternative for many Californians who cannot afford health insurance or for those whose health plans do not include dental insurance. First Dental Health will offer a discount card called New Dental Choice. Members will pay \$8.00 to \$10.00 per month for the membership and will receive discounts of 25-50% on various dental procedures.

The DMHC anticipates that many more discount health card plans will begin to seek licensure, which provides a structure for providers who want to enter the marketplace, as well as providing security for consumers who can trust licensed companies to provide verifiable benefits.

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980 9th Street  
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916-322-9430 Fax

320 West 4th Street  
Suite 880  
Los Angeles, CA 90013-1105  
213-620-2744 Voice  
213-576-7183 Fax

[www.hmohelp.ca.gov](http://www.hmohelp.ca.gov)  
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Discount health card plans, membership programs that arrange for health care at negotiated discounts with physicians, dentists, hospitals, and pharmacies, have proliferated in the past few years in California. The DMHC has received complaints from consumers who were victims of fraudulent health card plans, misled into thinking that they were purchasing regular health insurance. The DMHC, under the direction of Director Cindy Ehnes, has exercised its jurisdiction over discount health card plans, issuing cease-and-desist orders to fraudulent plans, and requiring all discount health card plans to meet licensing requirements to do business in California.

The California Department of Managed Health Care is the only stand-alone HMO watchdog agency in the nation, touching the lives of more than 21 million enrollees. The DMHC has assisted more than 633,000 Californians to resolve their HMO problems through its 24-hour Help Center. It also educates consumers about their health care rights and responsibilities, and works closely with HMO plans to ensure a solvent and stable managed health care system.

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