



Company Offering Insurance Alternative

By CRISSA SHOEMAKER DEBREE
Courier Times

Rising health insurance costs might be a headache for employers and consumers, but it's been a boon for one local company. In the past year, National Health Partners of Horsham has seen a 750 percent increase in revenue and a 675 percent increase in membership to its CARExpress discount health program.

CARExpress is a membership program that provides discounts at doctors' offices, hospitals and pharmacies nationwide. It's not health insurance, but members get the same discounts insurance companies get from medical providers. CEO David Daniels said National Health Partners, a public company, is poised to become a major player in the growing discount health market. "In the past few years, as rates have skyrocketed, benefits have been reduced," Daniels said. "The way the insurance market is going, it is working to our benefit tremendously. I don't see anything that's going to change that in the future, whether it's Republicans or Democrats running the government. Insurance rates are going to continue skyrocketing."

National Health Partners pays insurance companies like Aetna, Cigna and Caremark for access to their medical provider networks. Those networks are then made available to CARExpress members who pay the insurer price — sometimes up to 50 percent less than full price — for office visits, hospital stays, prescriptions and other medical services. "We make members much more responsible for their purchases," said Alex Soufflas, executive vice president and chief financial officer of National Health Partners. "But they don't pay the full prices either, because that's prohibitive." About 47 million Americans

are uninsured, according to the U.S. Census. In Pennsylvania, an estimated 1.3 million people, or 10 percent of the population, doesn't have insurance.

"We're not holding ourselves as the answer to the healthcare crisis," said Barbara Flood. "But we are playing a vital role." Flood is chairwoman of the Consumer Health Alliance, a trade association for the discount health industry. She's also CEO of Careington International, a discount health company in Texas that has about 5 million members. Careington was formed in the 1970s as a discount dental care program. It expanded its offerings to include vision and prescription coverage in the 1990s, and about five years ago began offering discount health programs. The physician program makes up only about 10 percent of Careington's business, Flood said, but it's one of its fastest growing products. "This is not an alternative to health insurance," she said. "But it is vital to helping customers get access to discounts that could parlay with a high deductible or limited medical plan."

National Health Partners charges members \$39.95 per household, per month, for its comprehensive care program. That's designed for individuals or families with no health coverage. A supplemental care program, for those who are underinsured, is \$29.95 a month. The company also has programs for dental, vision or prescription coverage, or a combination of the three. There are no membership qualifications. Because the program is not an insurance

product, it is not regulated by the state Department of Insurance.

Revenues for the third quarter ending Sept. 30 were \$410,000, a 750 percent increase from a year ago, when revenues were just shy of \$50,000, the company reported. During the same time period, membership grew 675 percent, from 1,200 to 9,300 members. The company said it expects revenue to triple or quadruple in the next quarter to between \$1.2 million and \$1.6 million. It also expects 20,000 to 25,000 members by the end of the quarter on Dec. 31.

Earlier this week, National Health Partners introduced Health Advantage One, a wraparound program that combines CARExpress membership with insurance products like catastrophic health insurance, accidental death and dismemberment plans and limited liability health insurance plans.

Daniels said he expects that program to fuel the company's rapid growth. "Truthfully, I don't know how most people afford insurance today," Daniels said. "I have a friend who pays \$2,100 a month. He has a family of five. He pays more than his house payment for insurance. We're trying to come up with a program that will give people a very inexpensive way to have good coverage."

Daniels hopes CARExpress and Health Advantage One will attract more businesses and small groups seeking medical coverage for their members. "If we can come up with a program that can save a company 60 percent, 50 percent, they're going to look at it," he said. "I believe we have an answer to that problem. It's a start."

Crissa Shoemaker DeBree can be reached at 215-949-4192 or cshoemaker@phillyBurbs.com.