

BIZfact

4.32%

Average interest rate last week for a 30-year fixed-rate mortgage in the Northeast, down from 4.36 percent a week earlier.

Source: Freddie Mac

PRICES UP 4% FOR SOME FOODS

Breakfast is now being served with a side of sticker shock.

The price of bacon is surging, and the cost of other morning staples such as coffee and orange juice is set to rise because of global supply problems, from drought in Brazil to a disease that is decimating orange groves in Florida.

The average price of a pound of sliced bacon in U.S. cities was \$5.46 in February, up from \$4.83 a year earlier and \$3.62 five years ago, government data show. Factors include herd culling by farmers facing higher feed costs, and a deadly virus afflicting pigs.

It's not just the first meal of the day that's being affected. The cost of meats, fish and eggs led the biggest increase in U.S. food prices in nearly 2½ years last month, according to government data. An index that tracks those foods rose 1.2 percent in February and has climbed 4 percent over the last 12 months.

The increases in food prices are forcing shoppers to search out deals and cut back.

Even though food companies use a range of cost-cutting methods to limit the effect of higher food costs, consumers will likely feel the "ripple effects" of rising commodity prices, according to the Grocery Manufacturers Association, a trade organization for more than 300 food, beverage and consumer product companies. — AP

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Hoping it's in the cards

Venture aims to sell people on discount deals

BY CARA S. TRAGER
Special to Newsday

Deborah and Charles Eisenson believe their business has success written all over it — yet they haven't generated a cent two years after starting it.

The St. James couple has invested about \$55,000 in developing, as well as countless hours tweaking, two websites to market their venture — a free card that offers discounts not only on vision, hearing, dental and veterinary services but also on prescriptions for people and pets. Cards can be downloaded from one of the sites, healthcard4free.com, which was launched in January.

How the card works

Retired dentists, Deborah, 57, and Charles, 58, shared a practice in Brentwood for 25 years before selling it in 2008 and starting their home-based company, Discount Health Card LLC. Their firm distributes the freebie discount cards on behalf of a third-party marketing firm that has access to networks of participating independent and chain drugstores and health care providers nationwide.

The marketing firm has agreed to pay the Eisensons only when the card is used for prescriptions — at a rate of 50 cents to \$1 per prescription, depending on the volume of medicines purchased per month.

"The challenge is getting over the hurdle of 'It's too good to be true,'" said Charles Eisenson, noting that people mistakenly think the card is a scam. Discounts range from 20 to 75 percent, depending upon the treatment or drug, and can result in a lower price than an insurance co-payment for meds, he said.

Overcoming skepticism

But experts said the card has several things going against it.

Discounted meds and health care services are hardly unique, with Target and Walmart selling \$4 generic drugs and Groupon-type deals, in-



Charles and Deborah Eisenson, of St. James, manage their discount health card websites from an office in their home earlier this month. They have invested \$55,000 into developing the websites.

cluding for optical services, proliferating on the web, said Joel R. Evans, distinguished professor of business at Hofstra University's Frank G. Zarb School of Business.

"You do a Google search and can find almost anything," Evans said.

Skepticism about participating providers could also hurt the card, he said. The discount makes health care professionals seem "desperate for more business."

To counteract such cynicism, the Eisensons' website should feature doctors' credentials and more patient testimonials, Evans suggested, adding, "That's why doctors and dentists put diplomas on the wall."

In response, Charles Eisenson said that "dentists would much rather have a private cash-paying patient with a discount card than an insured patient and be required to wait months for approval and payment."

Phil Smith, who provided the Eisensons with free business advice a year ago and owns PFS Marketing Inc., a digital marketing firm in Hauppauge, recommended selling the card for a nominal

AT A GLANCE

Name
Discount Health Card LLC of St. James

Owners
Deborah and Charles Eisenson

Established
2012

Cards downloaded
780-plus since 2012

and having a daughter with disabilities, the couple were drawn to a business that could help reduce the public's medical bills, said Eisenson.

They started the venture with a partner and \$100,000 in start-up capital from two investors. The partner has since left the business with half the seed money and the investor he brought to the table. The Eisensons are now using their own money to market the card.

Pet cards up next

In 2012, they developed PayUsLessRX.com. But concerned that the name wrongly implied a fee for the cards, the couple launched healthcard4free.com.

So far, they have spent about \$3,000 on a third website, PetsRXcard.com, slated for launch next month. The site follows the enthusiastic reception pet-supply store owners and groomers gave the Eisensons when the couple personally distributed stacks of discount cards last month in Manhattan.

"They were thrilled to give out the cards to their clients, because pet insurance is so rare," Eisenson said.

fee, such as \$5.

"Because it's free, it has no value and [people] don't care about it," he said. A sweepstakes prize — perhaps a \$100 gift card — would also drive up sign-ups, Smith said.

Eisenson said he is contractually obligated to give the card away, and sweepstakes can be complicated because of different states' legal requirements.

With their experience in treating low-income patients