



# Think Twice Before Buying a Short-Term Health Plan

Short Term Plans  
Being Sold  
Now in U.S.

## Short-Term Plans and Pre-Existing Conditions

Short-term plans are **not** required to cover pre-existing conditions. If you are approved for a short-term policy but have a chronic or life-threatening diagnosis, the plan does not have to (and most likely will not) cover any charges or claims related to that diagnosis, including complications or side-effects.

Short-term policy carriers often will not pay for anything you sought care for within the past five years. This includes common conditions like hypertension, diabetes, or even maternity care for an existing pregnancy.

Your plan could also implement waiting periods related to specific medical situations where coverage will not begin until after the waiting period.

## What are Short-Term Health Plans?

**T**he Health Insurance Marketplace has faced big changes in recent years. Along with the dissolution of the tax penalty for most Americans without health insurance, “short-term” limited duration health plans were approved as an alternative to purchasing coverage through the Health Insurance Marketplace. These plans can be issued for a limit of 364 days (with the option to extend for three years), where prior to 2018, they could only be sold for a coverage period of 90 days.

Short-term plans are sold with the intention of bridging the gap when someone is inadvertently without coverage. They might come in handy if someone is in between jobs,

rolling off their parent’s insurance, or waiting for benefits to kick in with a new employer. However, **they are not designed to be comprehensive insurance**, just a temporary bridge solution to provide some insurance benefits until more quality coverage can be obtained.

Short-term health plans are attractive to consumers because they often have lower monthly premiums when compared to major medical plans. But don’t be fooled; cheap products are often cheap for a reason.

If you are considering a short-term plan, it is advised you look closely at the benefits to be sure what you will need is covered.

## You Might Not be Approved

**S**imply because you apply for a short-term plan doesn’t mean you are guaranteed coverage. Short-term insurers can flat-out refuse to sell applicants a policy. On the application, short-term insurers are permitted to ask lots of questions about your health status. If they don’t like the answers you provide, they don’t have to sell you the policy. They can base their decision on any factor they wish and not disclose the reason for denial. You also have limited rights to appeal their decision. Even if tempted to omit items about your previous health history, always be 100 percent honest on your application. Lying will put your insurance in jeopardy and your insurance can be rescinded at any point and will reverse any payments made towards your care during that year. You will also not be refunded premium payments you made.



## Lacking Preventative Screening and Annual Health Services

Coverage for preventative screenings or services is not offered by most short-term policies. They are not mandated to provide coverage for the 10 essential health benefits required by the Affordable Care Act like major medical plans. So, if you need a screening mammogram or colonoscopy, don't count on your short-term policy paying out.

## Short-Term Plans Offer Very Limited Benefits

While the plan may cover primary care visits, they may have a limit on how many they will offer. If you visit your primary care doctor for a cold and are still sick the following week and need to go back, your policy may not cover that 2nd visit, leaving you on the hook for any charges incurred as a result of that second visit. As well, you may have a narrow provider network, meaning there is not a lot of choice when you need to find a physician.

Some states have already passed laws limiting the sale of these plans, while other states are considering the adoption of similar laws. Check with your state's Commissioner of Insurance to find out more about potential restrictions of short-term plans in your area.

## Will You Have Prescription Benefits?

Some short-term plans do not include prescription benefits. If you decide to purchase a short-term plan, be sure to check the fine print and know what the drug benefits are. Plans of this type are not mandated to provide coverage for medications, and many don't, which could mean high out-of-pocket costs where prescriptions are concerned.

## Not Comprehensive Benefits

Since they do not provide comprehensive benefits, many short-term plans may not actually cover care when it's needed. Even if you don't have a pre-existing condition, you may not be covered for necessary care in the event of an emergency. Some short-term plans make it seem like you will have coverage for services like surgical care, but in the fine print of the policy, they may limit the types of surgeries you can actually receive coverage for. In addition to surgeries, if you choose a short-term plan, you could be going without coverage for things like mental health services or even hospitalization.

## Not Necessarily Cheaper- Look Beyond the Premium

Just because the monthly premium is lower than a ACA-compliant health plan, this does not mean that you will actually end up paying less overall. These plans often come with high deductibles, high co-payments for doctor visits or medications, and limited provider networks, sometimes forcing you to go outside of the plan's network if a specialist is needed. And if something happens while traveling, your plan will likely not pay for out-of-network charges even in an emergency. Even if you are healthy and do not usually visit doctors often, your costs may be ultimately much higher than expected. Be sure to read the policy details thoroughly and be aware that if something unexpected happens, you may face some high-dollar charges for your medical care.

