

WHY CONSIDER SUPPLEMENTAL INSURANCE?

Supplemental insurance acts as a safety net, protecting you from unexpected costly medical expenses and providing coverage for a wider range of healthcare services.

While eating hard candy one night, Alex accidentally chipped a front tooth. The pain was severe, and he knew he needed urgent dental care. When he found a dentist, he was diagnosed with a cracked tooth and the dentist recommended a root canal and crown. The unexpected cost was much higher than Alex anticipated. He wished he had purchased the supplemental dental coverage his employer offered during Open Enrollment. He knew his cost would be much less if he had.

WHAT IS SUPPLEMENTAL INSURANCE?

Supplemental insurance plans are designed to complement your primary health insurance. They offer limited benefits, such as fixed payments for qualified medical expenses or additional coverage up to a specific amount. These plans often focus on dental, vision, hospital stays, critical illnesses, cancer treatment, accidents, and long-term care.



IS THIS ABOUT MEDICARE?

While Supplemental insurance plans are offered as a way to help manage costs associated with Medicare, this publication is focused on policies that supplement commercial health insurance. To learn more about supplemental Medicare coverage (Medigap) or other important Medicare topics, check out PAF's guide, **Making the Most of Your Medicare Benefits: A Guide to Navigating Medicare With Confidence.**



It's important to remember that supplemental insurance is not a replacement for your primary health insurance. It works with your primary insurance to offer extra financial protection.

WHERE CAN I PURCHASE SUPPLEMENTAL INSURANCE?

- **Through Your Employer:** Many employers offer supplemental insurance plans as part of their benefits package. Check with your HR department for available options.
- **Direct from Insurance Companies:** Numerous insurance companies offer supplemental policies. You can often purchase these directly through their websites or by contacting them.
- **Health Insurance Marketplace:** Depending on your location, you may be able to purchase supplemental plans through the health insurance marketplace.
- **Independent Insurance Agents:** These agents can compare plans from multiple insurers and help you find the best fit for your needs.

WHAT SHOULD I CONSIDER BEFORE PURCHASING SUPPLEMENTAL INSURANCE?

- **Compare plans:** Get quotes from multiple companies to find the best value and the most benefits.
- **Understand your needs:** Determine what gaps your primary insurance leaves out before purchasing supplemental coverage. You may not always need to purchase additional insurance.
- **Read the fine print:** Carefully review the policy terms and conditions, and if there are exclusions. Some plans are subject to pre-existing conditions. Pre-existing conditions are health conditions or illnesses that you had before you purchased insurance. They can include anything from chronic diseases like diabetes or heart disease to past injuries or surgeries.



HOW DOES THIS COVERAGE WORK?



Dental and vision insurance typically pays benefits directly to the dentist or optometrist, especially for in-network providers. If your policy covers out-of-network care, you will likely need to pay upfront and submit claims for reimbursement. Check out **PAF's Health Insurance Education Series** for more information about networks.

Other supplemental insurance plans, such as those covering hospital stays, critical illnesses, or accidents, generally provide cash benefits directly to the policyholder. This allows you to use the funds as needed for medical expenses or other purposes.

Some plans have a "waiting period" before certain benefits kick in. For example, with some dental or vision plans, you might get immediate coverage for routine check-ups, but major procedures might have a waiting period. Make sure to check the plan details before you sign up so you know how long you'll have to wait.

Dental and vision insurance work a lot like your primary health coverage. You pay a premium for coverage and often have a deductible before the

insurance will start to pay. You will have a cost-share (co-pay and co-insurance). You may have an annual maximum, meaning the total amount of coverage your plan will pay for.

Dental insurance typically covers preventive care, such as cleanings, exams, and X-rays. It covers other services such as fillings and extractions, and major services such as root canals, crowns, endodontics, periodontics, dentures, and bridges. The covered amount for each service depends on the policy you purchase.

Vision insurance typically covers eye exams. Many plans offer a yearly or every two years allowance for eyeglasses or contact lenses. Some might cover a portion of the cost, while others offer discounts. Some plans provide discounts on additional services, such as LASIK surgery or other corrective procedures.

Note: Most vision insurance plans cover routine eye care by optometrists, including eye exams and prescriptions for glasses or contact lenses. Medical insurance plans typically cover services provided by ophthalmologists, especially surgical procedures and treatments for serious eye conditions.

OTHER TYPES OF INSURANCE DON'T REQUIRE NETWORKS AND WORK DIFFERENTLY THAN DENTAL OR VISION COVERAGE. THESE INCLUDE:

- **Critical Illness Insurance**

Critical illness insurance offers a lump sum payout if you're diagnosed with a severe condition like cancer, heart attack, or stroke. This money can help cover medical bills, lost wages, and other expenses during your recovery. Consider purchasing critical illness insurance if you have a family history of serious illnesses.

- **Accident Insurance**

Accident insurance provides financial support if you're injured in an accident, such as a broken bone or concussion. This coverage typically pays a lump sum to help with medical costs, rehabilitation, and other related expenses. Keep in mind that accident insurance may not cover injuries caused by illness, pre-existing conditions, or intentional acts.

- **Hospital Indemnity Insurance**

Hospital indemnity insurance gives you a set amount of money for each day you're in the hospital for a covered illness or injury. This can help pay for hospital bills not covered by your regular health insurance. Unlike health insurance, which pays providers directly for medical services, hospital indemnity insurance gives you the flexibility to use the cash benefit as you see fit, like covering childcare or lost wages.

- **Disability Insurance**

Disability insurance replaces part of your income if you can't work due to a disabling illness or injury. This coverage helps maintain your financial stability while you recover. There are two types:

- **Short-term disability insurance:** Covers a shorter period, typically a few weeks to months.
- **Long-term disability insurance:** Provides coverage for a longer duration, often years or until retirement age.

Note: Private disability policies are not the same as Social Security Disability programs. To learn more information about Social Security disability, check out our comprehensive guide [here](#).

- **Long-Term Care Insurance**

Long-term care insurance covers the cost of long-term care services, like nursing homes, assisted living, adult day services, or in-home care. This helps protect your savings from being used up for these expenses. Benefits can be structured in different ways, such as a daily or monthly benefit amount, or a lifetime maximum benefit.

WHAT SHOULD YOU DO IF YOU NEED SERVICES PROVIDED BY SUPPLEMENTAL INSURANCE BUT YOU DON'T HAVE IT?



Here are some places to consider for vision care:

- **Discount Optical Stores:** Many stores like Walmart, Costco, and Target offer eye exams at lower costs than traditional optometry offices.
- **Local Community Health Centers:** These centers often provide eye exams at reduced rates or on a sliding scale based on income. You can find a local health clinic using a search like one from Health Resources and Services Administration at <https://www.findahealthcenter.hrsa.gov/>
- **Used Glasses:** Some organizations collect donated eyeglasses and provide them at low or no cost. Check with local charities or eye care centers, or try an online search for "eyeglasses bank".

WHAT SHOULD YOU DO IF YOU NEED SERVICES PROVIDED BY SUPPLEMENTAL INSURANCE BUT YOU DON'T HAVE IT? (CONTINUED)

Here are some places to consider for dental care:

- **Local Community Health Centers:** They often provide dental services like cleaning and extractions on a sliding scale fee based on income.
- **Dental Schools:** Dental students practice under the supervision of licensed dentists, and procedures are often performed at a reduced cost. You can find a dental school through a search here: <https://coda.ada.org/find-a-program/search-dental-programs#sort=relevancy>
- **State and Local Health Departments:** May offer dental clinics or programs for low-income individuals. Services can vary depending on location. You can find your local health department by using the search function here: <https://www.naccho.org/membership/lhd-directory>



You can also find help on our National Financial Resource Directory. This searchable database allows you to seek help based on your individual needs. To search, choose the options that best match your needs from drop-down menus. Selections include insurance status, age range, state, diagnosis category, and the assistance type needed. Click search and an exclusive list of resources is automatically generated. Visit www.patientadvocate.org/financial to search and learn more.



Curious about other topics? PAF's **Education Resource Library** houses our resources and provides straightforward information in a variety of formats to help you make informed decisions throughout your healthcare journey. Learn about health insurance, disability, medical bill management, and more by visiting our Education Resource Library today. Call us anytime at 800-532-5274 or visit www.patientadvocate.org for help!



The Patient Education and Empowerment Department creates resources that address a range of topics from medical debt to insurance access and disability benefits. The resources we produce are reflective of real-world experiences that meet the needs of the patients PAF serves.

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