

Protect Our Care Illinois Issue Brief

Short-Term Health Plans

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SHORT-TERM PLANS: THE BASICS

Short-term plans are health insurance plans that **last for a limited length of time and limit the benefits covered. These plans do not have to cover pre-existing conditions & insurers could deny coverage outright or charge higher premiums based on health status.** They were originally designed to help people who need temporary insurance while they are between jobs or waiting for other insurance coverage to begin. The Affordable Care Act (ACA) has created pathways to comprehensive coverage in these transitions, so most people will find that they can get the insurance that they need on HealthCare.gov. Many can get financial help to pay for their plan. Open Enrollment through the Marketplace takes place from **Nov. 1 - Dec. 15, 2018.**

Why are short-term plans cheaper than other health insurance plans?

Short-term plans cost less because they cover less. Be sure to consider your health needs before buying a short-term plan because a plan with cheaper premiums could leave you with big medical bills. The cheapness of the plan may not apply to everyone. Short-term plans will be much more expensive in premiums as well if you have pre-existing conditions or are otherwise in poor health.

What do short-term plans cover?

It depends. Many won't cover pre-existing conditions like asthma, diabetes, high blood pressure, or chronic illnesses. Many don't cover emergency care or offer prescription drug coverage. Short-term Plans can impose lifetime and annual limits – for example, many policies cap covered benefits at \$2 million or less.

Do short-term plans have a full set of benefits?

No. While the ACA requires most health insurance plans to cover Essential Health Benefits such as doctor visits, hospital stays, and medications, short-term plans do not have the same requirements.

Are there times a short-term plan may be right for me?

We encourage people to ask themselves if they might need coverage for conditions that aren't covered by a short-term plan. These plans would require someone to be willing to take on the risk of big medical bills and not get coverage if they get sick. Short-term Plans provide minimum coverage for a short period of time and may benefit someone who has no other affordable health insurance options.

Open enrollment has ended, is a short-term plan my only option?

No. If you find yourself without coverage outside of the open enrollment period, you may still be able to buy insurance if you experience a Qualifying Life Event. If you have recently lost your job, health insurance coverage, had a baby, or experienced another qualifying life event, you may still be able to purchase coverage on the Marketplace and receive financial help to help you make your plan affordable. Keep in mind that you can enroll in Medicaid coverage at any time if you meet income guidelines.

SHORT TERM PLANS: THE RISKS

Short-term plans may:

- Deny or exclude coverage for pre-existing conditions
- Charge more based on your health, age, and gender
- Exclude essential health services like mental health care, hospital care, and prescription drugs
- Leave you with higher out-of-pocket costs because they offer less coverage and impose more limitations.
- Place a limit on the extent of benefits that can be covered through dollar caps.
- Drop you from coverage if you are diagnosed with a pre-existing condition after you enroll.

QUESTIONS TO ASK YOURSELF BEFORE BUYING A SHORT-TERM PLAN

What coverage is important to address my health needs?

Short-term plans are not required to cover services like prescriptions, inpatient hospital stays, outpatient surgery or pre-existing conditions. If you need this care, short-term plans could leave you with very high medical bills.

How often do I (or my family) need care?

No one can predict the future, but your past medical visits (and bills) are a place to start. They'll give you an idea of the medical services you'll need going forward. If you know of anything coming up that will impact your health, add that to your considerations, too.

What benefits do I need covered?

Think about preventive care and wellcare (annual check-ups, lab tests, and vaccinations), prescriptions, and maternity and newborn care benefits you or your family may need. If these medical services are important to you or your family, a short-term plan could come up short for your coverage.

SHORT TERM PLANS VS MARKETPLACE PLANS

	Marketplace Plans	Short-Term Plans
Must sell health insurance to you, even if you have pre-existing conditions	✓	✗
Can receive financial help (subsidy, tax credit) to help make plan affordable.	✓	✗
Must charge fair premiums, meaning they cannot charge people more because of their health or gender	✓	✗
Must cover essential health services, like prescription drugs, maternity care, and mental health care	✓	✗
Must protect against high medical costs by limiting cost sharing (i.e., co-pays, deductibles, out of pocket maximums, dollar limits) for health benefits	✓	✗

WHAT TO DO IF YOU HAVE A PROBLEM WITH YOUR SHORT TERM PLAN.

If you have purchased a short-term plan and find that you now have very high medical bills, cannot access the care that you need, or are unhappy with your policy, you should file a complaint with the Illinois Department of Insurance's Office of Consumer Health Insurance (OCHI). You can file a complaint by calling OCHI toll free at (877) 850-4740. You can also file a complaint electronically at the Department of Insurance website at <https://mc.insurance.illinois.gov/messagecenter.nsf>