

Short-Term Limited Duration Medical Plans

If you decide to purchase a short-term limited duration medical plan, be aware it is not designed to meet the requirements of the Affordable Care Act (ACA).

Individual health plans, which often cover families, have to follow certain standards under the ACA. Specifically, ACA-compliant plans **cannot**:

- refuse to issue coverage based on your health condition (“guaranteed issue”); or
- charge more based on your health condition (“prohibition on underwriting”); or
- impose a dollar limit on benefits (“no annual or lifetime limits”).

ACA market reforms do not apply to plans that are issued for less than one year. The following tips are provided to consumers who are considering purchasing a short-term limited duration medical plan.

- Discuss your health insurance needs with an agent or company you know and trust. The coverage may not be as comprehensive as you need. Be aware of any medical expenses you will personally be responsible to pay.
- A short-term limited duration medical plan may decline to insure you based on your application or health history.
- Pre-existing conditions and other policy exclusions may apply. Read the policy carefully prior to purchase.
- Inaccurate answers in the application may result in a rescission.
- Certain coverages, such as maternity benefits and pharmacy benefits, may be excluded.
- The policy may include lifetime and annual limits on what the plan will pay for medical expenses.
- Carefully review your financial responsibility requirements, such as co-insurance, deductibles or co-payments.
- Depending upon the policy purchased, your policy may not be renewed if you become sick or injured.
- The policy might not cover the entire amount that your medical provider bills. Your medical provider may or may not participate with the plan. If your provider is not a participant, you may be subject to paying the balance of the medical bill not covered by the plan.
- When your policy is delivered, review it carefully, including benefits and exclusions. If you are not satisfied, you should have 10 days to return it to obtain your money back.
- Be certain to review and save all advertisements and correspondence related to the purchase of the policy.

Beware of Fraudulent Sales

- Don't fall prey to high-pressure telemarketers selling health insurance products.
- Be wary of Internet sales or emails soliciting health insurance products.
- The only official website for the federal marketplace is www.healthcare.gov. On that site, you can find information regarding ACA-qualified health plans, and compare marketplace plans. Beware of copycat websites.
- Know who you are doing business with and check with reputable sources to verify the company is legitimate. Unsolicited telephone or internet advertisements could be fraudulent.
- Do not provide telemarketers or any online requests for bank account numbers, social security numbers, credit card numbers, or personal health information. If asked to provide this information, hang up or close the online communication..

Additional Information

Consumers who have complaints about high-pressure sales calls, or are concerned whether a plan is approved for sale in Nebraska, should contact the Department' of Insurance locally at 402-471-2201 or on its toll-free consumer hotline at 1-877-564-7323.

Questions concerning short-term limited duration medical plans may be directed to Laura Arp at laura.arp@nebraska.gov or Martin Swanson at martin.swanson@nebraska.gov.

Additional information may also be found on the Department's website at doi.nebraska.gov.