

Understand the Risks of New Short-Term Health Insurance Plans

Limited, “swiss cheese” coverage in short-term health insurance plans may cost you more than you think because you have to pay for everything the plan won’t cover — and you can’t get financial assistance from HealthCare.gov to pay for them.

What are short-term plans?

Short-term plans used to last for just three months. They were designed for people who were between jobs or waiting for other insurance coverage to begin. Starting this year, “short-term” plans can last all year. There are many health care expenses that they will not cover.

Why do short-term plans appear to be cheaper than other health insurance plans?

Short-term plans appear to 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 for care the plan doesn’t cover.

How does the cost of short-term plans compare to the cost of plans available on HealthCare.gov?

For many people, getting a short-term plan could mean you will end up paying more for health care than you expected to because the benefits are so limited. On the other hand, for many people, getting a plan on HealthCare.gov means you end up paying less for health care than you expected because financial assistance may be available to help pay the costs of a plan on HealthCare.gov.

What are some of the things that short-term plans won’t help with but HealthCare.gov will help with?

Short-term plans generally do not cover pre-existing conditions like asthma, diabetes, high blood pressure, or chronic illnesses. They often fail to cover essential

health services like mental health care, maternity, annual check-ups with your doctor, and prescription drugs. Many limit coverage for hospital stays, ambulance rides, and surgeries, leaving patients with big medical bills.

Are there other similar plans that have the same problems as short-term plans?

Yes. Association health plans and health care sharing ministries are other types of plans with limited, “swiss cheese” coverage that may not cover needed health care or pre-existing conditions.

Can I just try out a short-term plan and then switch if I need a better plan?

If you get an expensive injury or illness while on a short-term plan, you generally will not be able to switch to a plan with full benefits until the next January.

How do I avoid a short-term plan?

It is not always easy to tell if you are being sold a short-term plan, or even worse, being scammed. There is one clear way to protect yourself. Compare plans and select your coverage using HealthCare.gov. Short-term plans are not allowed on HealthCare.gov. All of the plans on HealthCare.gov cover pre-existing conditions and have full coverage of essential benefits. And at HealthCare.gov you can see if you qualify for financial assistance to lower your monthly premiums and out-of-pocket costs.

Cover Texas Now is a coalition of consumer and faith-based organizations. More information is available at CoverTexasNow.org.