

CONSUMER INFORMATION

SHORT-TERM, LIMITED-DURATION HEALTH PLANS IN INDIANA

The Indiana Department of Insurance provides the following information for Hoosiers who are currently enrolled in, or are considering, a short-term health insurance plan. Under current Indiana law, a short-term plan can be no longer than six months. It also may not be renewed. However, this law will change on July 1, 2019.

What does the new Indiana law say about short-term plans?

During the 2019 Legislative Session, the Indiana General Assembly passed HEA 1631, which makes several changes to the current law. Starting July 1, 2019, a short-term plan may be renewed for up to 36 months, may be issued for a term of 364 days or less and has an annual benefit limit of \$2 million dollars. In addition to other requirements, a short-term plan is required to provide coverage for ambulatory patient, hospitalization, emergency, and laboratory services.

What is a short-term plan?

A short-term plan is a type of health insurance that is designed to cover a gap in your health care coverage during a time of transition. For example, a short-term plan might be used to cover you while you are in between employers.

What are the differences between short-term plans and Affordable Care Act (ACA) plans?

There are some differences between short-term plans and ACA plans. Hoosiers should review insurance plan options to ensure it meets their budget and health needs

Short-term plans are not comprehensive health coverage.

ACA plans are required to cover the 10 essential health benefits (EHBs). Under the new law, short-term plans are required to cover only four of the 10 EHBs. Short-term plans also are not required to provide coverage for prescription drugs, maternity care and mental health and substance abuse treatment.

Pre-existing conditions are not covered.

Short-term plans provide coverage for medical conditions that have not yet occurred. They will not cover medical conditions that you already have. New short-term plans will not cover any medical conditions that developed during the policy period of previous short-term plans. Under an ACA plan, an insurance company cannot discriminate or deny benefits and services for medical conditions that arose before the beginning of the policy.

Short-term plans are not required to cover state mandates.

Short-term plans may cover, but are not required to cover, Indiana's mandated benefits. ACA policies are required to cover such benefits. Examples of these benefits include Autism coverage and colorectal cancer screenings.

You can be denied a short-term plan.

You may not be eligible for a short-term plan based on certain factors, such as you or your family's age or medical condition. You cannot be denied an ACA plan based on you or your family's age or medical condition.

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There may be a cost difference.

In some cases, short-term plans have lower monthly premiums than ACA plans. Short-term plans may also have higher deductibles, co-pays and cost sharing than ACA plans.

A short-term plan can be retroactively cancelled.

A short-term plan can be retroactively cancelled any time after the policy has started, even if you have consistently paid your premiums. For example, if you fail to disclose a medical condition on your application and the insurance company finds out, the insurance company can cancel your policy from its effective date and void any claims that they previously paid under the policy.

An ACA plan can only be rescinded in certain situations, such as fraud.

You can enroll in a short-term plan at any time.

You can enroll in a short-term plan at any time. You can only enroll in an ACA plan during Open Enrollment, unless you qualify for a special enrollment period.

What if I am currently enrolled in a short-term health plan?

If your plan was issued on or before June 30, 2019, the new law will not apply. Your policy will be subject to the current law, which means it can be no longer than 6 months and may not be renewed. However, your plan cannot continue once the policy term has ended. Please that comply with the new law will be available in summer of 2019.

Where do I get more information?

Questions regarding short-term plans should be directed to compliance@idoi.IN.gov.