

## **SHORT-TERM HEALTH INSURANCE: AFFORDABLE AND FLEXIBLE**

### **With a short-term insurance plan:**

- You can pick the duration of your coverage, ranging from 3 to 6 or 12 months with renewability up to nearly 36 months of total coverage, depending on the state in which you live. Coverage ends at the end of the policy term at which time you may apply for a new policy.
- Coverage can begin quickly, as soon as the day after application for some insurance companies. And, you can discontinue coverage without penalty when you no longer need it.
- You can choose your deductible and out-of-pocket limit from the available options.
- Many plans include an extensive network of health care professionals, hospitals and other facilities from which you can receive care. You can choose the network of providers you want for your policy.
- Plans can also waive certain cost sharing provisions for COVID-19 testing, and offer a short-term medical option with specified pre-existing condition coverage.

## **MEDICARE: THE GAP DISAPPEARS – AND NEW OPTIONS AWAIT**

When you retire and become eligible for Medicare, you will have a choice in how you access your guaranteed Medicare benefits and pay for your out-of-pocket healthcare costs.

- Original Medicare – This is the original “fee-for-service” program offered through the federal government.
- You can add supplemental benefits through a private insurer. The most popular options are Medicare Advantage plans and Medicare Supplement plans. Many Medicare Advantage plans include prescription drug coverage (Medicare Part D). Alternatively, you may choose to add a Part D plan to a Medicare Supplement plan.

### **You can enroll in Medicare:**

- Online at [www.SocialSecurity.gov](http://www.SocialSecurity.gov)
- By calling Social Security at 1-800-772-1213 (TTY: 1-800-325-0778), business days 7 a.m. to 7 p.m.
- In person at the local Social Security office

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# **Bridging the Gap: 2020 Guide to Short-Term Health Insurance Benefits**

**An Affordable Option for  
Health Insurance Coverage  
Prior to Medicare**

# **2020**

# 2020 Guide to Short-Term Health Insurance Benefits

Are you between jobs or planning for retirement? Either way, you will want to make sure your family is protected from the financial impact of illness or accidents when your employer-provided health insurance is no longer available. Life is unpredictable – and uninsured medical bills can be devastating.

Here are some options to help you bridge the gap to your next job, or to Medicare.

## **COBRA: CONTINUED COVERAGE, (MUCH) HIGHER COST**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) may give you the ability to continue your same health insurance benefits when you leave your job. However, your premiums will be much higher, since you will be paying not only your share of the premium, but the employer's share as well. This can be especially difficult if you're no longer earning a paycheck.

An industry study published in 2020 revealed that 75% of participants who lost their employer coverage did not choose COBRA because of the cost.

## **ACA PLANS: DIFFERENT COVERAGE, WITH QUALIFIERS AND COST CONSIDERATIONS**

The Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 spurred the development of the Health Insurance Marketplace and ACA plans. You can buy these plans during open enrollment, tentatively scheduled for November 1, 2020 to December 15, 2020.

You can also buy outside of the open enrollment dates if you have a “qualifying life event.” Losing a job is a qualifying event. Depending on your plan, you may need to make changes within 30 or 60 days of your qualifying life event – or wait until the next open enrollment.

ACA plans cover “pre-existing conditions,” such as heart disease or cancer, that pre-date your new health coverage. This coverage feature, however, comes with a price, and even the lowest-level ACA plan, called “Silver Medal,” may be too expensive for individuals and families who don't qualify for a tax credit to offset the cost.

## **SHORT-TERM HEALTH INSURANCE: AFFORDABLE AND FLEXIBLE**

Short-term health insurance plans, also known as short-term medical plans or “mini-meds,” provide an affordable alternative to COBRA and ACA plans, and may be the only option if you miss the enrollment deadlines. These policies can provide a flexible way to bridge the gap in health insurance coverage until your next job begins or you become Medicare-eligible.

In a televised 2018 CNBC interview, Health and Human Services Secretary, Alex Azar said: “(Short-term limited duration health insurance plans) may be as much as 50% to 80% cheaper than the Obamacare exchange plans. This is a really important option for millions of Americans who have been forgotten or left behind by Obamacare.”

As with all insurance, you should be sure to understand that not all conditions may be covered and there may be caps on benefit amounts. Short-term policies are individually underwritten; you may be turned down based on your prior medical history.