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NEWS RELEASE

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Insurance Department explains drawbacks of short-term health policies

BOISE ID (May 31, 2016) – Under the Affordable Care Act (ACA), everyone is mandated to have health insurance or pay a penalty. People needing to fill a gap in health coverage, due to a job change or other reasons, may look at short-term policies to protect their assets in case of a medical emergency.

The Idaho Department of Insurance wants consumers to be aware that while short-term health insurance policies do have their place, they also have some drawbacks:

- They are not required to provide the full range of benefits offered by ACA compliant policies
- They can use pre-existing condition exclusions and refuse enrollment
- They can rate premiums based on health status or gender
- They may include higher out-of-pocket costs
- They cannot be renewed
- They are not considered minimum essential coverage for tax purposes

"Consumers need to be sure they understand what they are buying," says Department Director Dean Cameron. "We encourage Idahoans to visit with a licensed insurance agent to help them decide whether short-term coverage is their best option."

Consumers enrolling in ACA-compliant individual health plans may only do so during open enrollment or, if they qualify, at a special enrollment period (SEP). Short-term policies provide stop-gap coverage for those who do not qualify for an SEP or who need to find coverage outside of the open enrollment period. Individuals and families who are without coverage for longer than a continuous 90-day period may be subject to a tax penalty.

People with questions about this or other insurance-related topics are encouraged to contact the Idaho Department of Insurance by visiting www.doi.idaho.gov or by calling 334-4250 in the Boise area or 800-721-3272 toll-free statewide.

About the Department of Insurance

The Idaho Department of Insurance has been regulating the business of insurance in Idaho since 1901. The mission of the Department is to equitably, effectively and efficiently administer the Idaho Insurance Code and the International Fire Code. For more information, visit www.doi.idaho.gov.

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