



Maine Bureau of Insurance

Short-Term, Limited-Duration Health Insurance Plans

NOTE: No Short-Term Limited Duration (STLD) plans that are compliant with the new Maine law, referenced below, have been submitted to the Bureau for approval. As a result, there are currently no STLD plans for sale in Maine.

A short-term, limited-duration health plan (STLD) is exactly what it sounds like – it's only good for a short amount of time.

STLD plans are not intended for long-term coverage and they differ from major medical plans governed by the Affordable Care Act (ACA). It's important that you understand these differences before you buy, or they could end up costing you more money.

It is important to remember that much of the time, if you lose health insurance, you can buy an ACA plan during a Special Enrollment Period. Buying an STLD plan is not usually your only choice.

For those Maine consumers considering buying an STLD plan (**when one or more are potentially approved and available**), a new Maine law applies more consumer protections to STLD plans with starting dates in 2020.

What's Changed Under the New Law?

Sales Practices:

- It must be clear in the printed sales documents how an STLD plan differs from an ACA plan.
- An STLD plan can only be sold to you in person, not online or over the phone.
- The agent or broker must show you how the cost of the STLD plan compares to the cost of an ACA plan, including any subsidy you would get to help pay for the ACA coverage.

Insurance Plan Requirements:

- STLD plans must now cover pre-existing conditions. (However, insurance companies don't have to sell a plan to someone who has a known pre-existing condition.)
- An STLD plan must expire by December 31 of the year it was purchased, and you must have a gap of at least 12 months before purchasing another one.

What Hasn't Changed?

Premiums:

- Subsidies you might qualify for to purchase an ACA plan do not apply to STLD plans.

Cost-sharing:

- STLD plans can require you to pay much more out-of-pocket for the services you receive.
 - They can impose a set dollar limit on what they will pay for a certain service – such as \$25 to \$100 per visit – leaving you responsible for the rest of the bill.
 - They may have a maximum benefit of \$1,000 to \$2,000 for the entire coverage period.
 - They can have higher maximum out-of-pocket limits than ACA plans, and the deductibles, co-insurance and co-pays you are required to pay can add up quickly.

Covered Services:

- STLD plans are not required to cover many services like maternity care or prescription drugs.

How to Make an Informed Decision

- Only deal with Maine-licensed agents, brokers and companies selling approved plans.
 - Any plan legally available in Maine must have been reviewed by the Bureau of Insurance before being sold, to ensure its compliance with Maine law.
- STLD plans may be appropriate in some circumstances but be sure to understand their limitations.
 - Your premium may be lower with an STLD plan, but your overall costs could be much higher, particularly if you need hospitalization, surgery or other costly care.
 - Make sure you understand the plan you choose and how it works. It's important to read the insurance policy carefully and understand the benefits and risks before you buy.
 - ✓ Write your questions down and follow up with the agent or broker.
 - ✓ Ask the agent or broker to go over a potential claim scenario to understand how benefits would apply and what your cost-sharing would be.
 - ✓ Write down any answers the agent or broker provides for future reference.
- Contact the Bureau of Insurance before you buy if you are at all unsure about the insurance product you are purchasing.
 - Call the Bureau at 1-800-300-5000 with any questions about the plan or the differences between STLD plans and ACA-compliant major medical insurance coverage.