

Short Term, Limited-Duration Insurance

Short-term, limited-duration insurance is a type of health insurance coverage that was primarily designed to fill temporary gaps in coverage that may occur when an individual is transitioning from one plan or coverage to another plan or coverage.

Short-term, limited-duration insurance is not qualifying health coverage that satisfies the health coverage requirement of the Affordable Care Act (ACA). This coverage is not required to comply with federal requirements for health insurance. Because short-term, limited-duration coverage is not considered minimum essential coverage under the ACA, you may be subject to a federal tax penalty which is currently set at \$0.

Be sure to check your policy carefully to make sure you understand what the policy does and does not cover. If this coverage expires or you lose eligibility for this coverage, you might have to wait until an open enrollment period to get other health insurance coverage.

The State of Alaska, Division of Insurance advises consumers to exercise caution when considering a short-term health insurance policy. Alaska does not have any specific statutes or regulations for the length of time or renewability of short-term, limited-duration plans. They can be issued and renewed as allowed by federal regulation.

This insurance covers some of the same types of services as comprehensive health insurance but is not required to offer a full set of essential health benefits. Short-term medical health plans are not held to the same benefit standards and do not have the same consumer protections as comprehensive health plans. The plans typically cover a smaller share of the cost of services than comprehensive health insurance. That means you may pay less in premiums, but enrollees pay more when they need health care services. These plans may deny applicants or charge them more if they have pre-existing health condition. Waiting periods may also apply with short-term health insurance.

These plans are not ACA compliant but are subject to state insurance regulation. The Alaska Division of Insurance does not recommend a particular insurer or other options a consumer should choose. Consumers who are experiencing problems with their short-term health insurance company may file a complaint with the Consumer Services Section.