



Your complete guide to temporary health insurance

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What is temporary health insurance?

Temporary health insurance - also known as short-term medical (STM) or short-term health insurance - is a health insurance plan designed to be a cost-effective and flexible insurance option during times of transition or gaps in health insurance coverage.

You can buy a temporary health insurance plan for as little as 30 days or up to 364 days, depending on the state where you live. And it can be your security blanket in certain unexpected medical situations like a visit to your doctor for a broken bone or an urgent care visit to treat the flu.*

[*Specific covered services vary from plan to plan. Always check your policy documents].

What does temporary health insurance cover?

Plans may vary based on your insurance company and state. Overall, temporary health insurance plans are meant to fill gaps in insurance, offering you financial and health protection in the event of an unexpected accident or illness.

Temporary health insurance may cover things like:



Hospitalization



Emergency room visits



Doctors/specialists visits



X-rays



Lab tests

What temporary health insurance is not:



Temporary health insurance plans are not ACA plans.

Why: They're not required to cover the 10 essential health benefits that an ACA (Obamacare) plan covers. They're an option outside of the ACA, not an alternative to an ACA plan.



Temporary health insurance plans are not catastrophic plans.

Why: Catastrophic plans - high-deductible ACA plans with high out-of-pocket costs and lower premiums - offer the same coverage as a traditional health insurance plan. In addition, ACA catastrophic plans are available only if you are under the age of 30 years old or qualify for a hardship exemption.

How does temporary health insurance work?

Temporary health insurance plans have similar terminology and structure you'd see with a major medical plan:

- Typically includes [copays](#), [deductibles](#), [coinsurance](#) and [copayment](#).
- You pay a premium in exchange for coverage - either upfront or on a monthly basis.
- You have a plan ID card and pay a copay, if required, when seeing a doctor.
- Your insurance company accepts claims to help pay for covered medical expenses according to your policy.
- You receive an explanation of benefits - a medical statement that provides details about a medical insurance claim that's been processed, as well as the medical treatments and services the insurance company covered.
- You receive a bill to pay your portion of the medical expense.

How much does temporary health insurance cost?

Prices vary depending on your age, gender, and location. Monthly premiums reflect that pre-existing and other conditions (maternity, mental health) are not covered.

Typical upfront costs include:

- **Premium:** The monthly fee you pay for having coverage, which will vary depending on your level of coverage.
- **Deductible:** The amount you pay out of pocket for medical services. Once you meet your deductible, your plan will begin to pay for costs.
- **Coinsurance:** The percentage of costs you share with your plan after you meet your deductible - most often shown as a percentage.
- **Copay:** A fee you pay upfront when you visit a doctor (depending on your plan).

Here's an example:

In 2020, a 27-year-old woman in Dallas can purchase a temporary health insurance plan with a \$5,000 deductible for \$37.09 a month with up to \$500,000 in total coverage for a six-month duration. And in Chicago, a 40-year-old male can buy a short-term health insurance plan with a \$5,000 deductible for \$126.96 a month with a larger coverage maximum of \$1,500,000 for a six-month duration.*

These low premiums can help people stay on a budget while protecting their health.

[*Plan prices in the above examples were pulled from AgileHealthInsurance's short-term health insurance quote comparison tool February 13, 2020.]

Who is temporary health insurance good for?

Temporary health insurance plans make sense to cover you during many life stages including:

- You're between jobs with employer-based benefits.
- You're attending a college or university that is outside your parent's health insurance plan network.
- You're an early retiree needing coverage before Medicare takes effect.
- You're a new immigrant in the United States who's ineligible for ACA coverage.
- You're aging off your parent's health plan and not yet being enrolled in other coverage.
- You're in an employer waiting period before group benefits take effect.

What are the pros and cons of temporary health insurance?

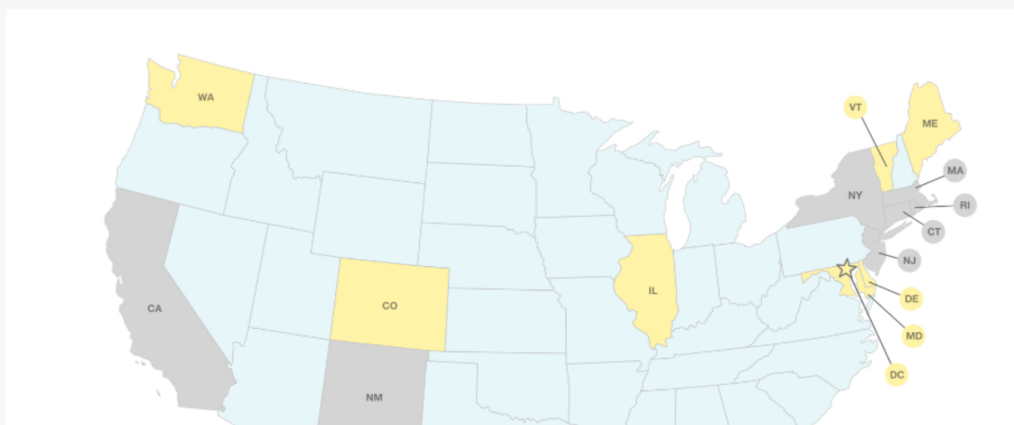
+ PROS

- + Flexible plan duration:**
Your coverage period can range from 30 to 364 days, with policy renewal of up to three years, depending on your state's rules.
- + No long-term commitment:**
You can choose how long you want to be covered (anywhere from 30 to 364 days). The coverage automatically ends after that date. Plus, you can cancel your plan anytime.
- + Enroll anytime:**
You can apply for and enroll in a temporary health insurance plan any time of year.
- + No waiting period:**
You can get coverage as soon as the day after you apply.
- + Keep your doctor:**
Many temporary health insurance plans have an open network, which means you can see any doctor or hospital you'd like (always double check to ensure you don't create a costly out-of-network issue).

- CONS

- No coverage for pre-existing conditions.**
Short-term health insurance policies are underwritten for risk, which means you can potentially be denied coverage if you have a pre-existing health condition such as diabetes or cancer.
- Limits on prescription drug coverage:**
Most short-term health plans do not cover prescription drugs, but a few do offer add-on benefits and include prescription drug coverage after a deductible is met.
- Limits on the number of covered doctor visits.**
- Does not cover all of the 10 essential health benefits.**

What states limit or don't offer temporary health insurance plans?





The following states don't allow the sale of temporary health insurance plans that lack protections for people with pre-existing conditions:

- California
- Connecticut
- Massachusetts
- New Jersey
- New Mexico
- New York
- Rhode Island

The following states have strict limits on temporary health insurance policies:

- Colorado
- Delaware
- District of Columbia
- Hawaii
- Illinois
- Maine
- Maryland
- Vermont
- Washington

[The above information was derived from the [Kaiser Family Foundation](#) as of 2019].

What should I think about before buying temporary health insurance?

The right coverage for you will depend on your individual situation. It depends on your health, needs and budget. But it's important to ask yourself things like:

Eligibility— Do I qualify for short-term health insurance coverage? Am I in good health with no pre-existing conditions such as diabetes?

ACA Availability— Do I qualify for a special enrollment period? Do I qualify for a subsidy?

Coverage length— Will I need health insurance for one month, one year, or somewhere in between?

Benefits— During my transition period, am I looking for the full range of benefits that a permanent health insurance plan must include or am I comfortable with the accident and illness coverage short-term health plans address?

Availability— How quickly do I need health insurance? Am I locked out of the enrollment period and special exceptions of Obamacare?

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