COMMERCE DEPARTMENT

CONSUMER INFORMATION

Short-Term Limited Duration Health Plans in Minnesota

The U.S. Department of Health and Human Services recently announced a new rule for short-term health plans. This new federal rule does not change the short-term health plans that are currently offered in Minnesota, nor does it preempt existing Minnesota state law that regulates these plans.

What is a short-term limited duration health plan?

A short-term health plan, sometimes called a limited duration health plan, or "skinny plan" is not new. These plans are health insurance designed to help bridge a brief, unexpected gap in your health care coverage during a time of transition. For example, these plans can provide temporary minimum health coverage if you are in between jobs, waiting for coverage to begin at a new job or rolling off your parent's insurance outside of the annual open enrollment period.

What Do Minnesota consumers need to know about short-term health plans?

A short-term plan is limited to six-months.
Under Minnesota law, you can enroll in a short-term plan for up to six months, or 185 days or less.

You cannot renew a short-term plan, but you can buy another short term plan.
You can have coverage under short-term plans for up to 365 days (12 months) within a 555-day (18 months) period. You are not guaranteed the same plan if you choose to purchase an additional six months of coverage. Any medical condition that developed during prior coverage would be considered a preexisting condition and would not be covered by a new short-term plan.

You can be denied a short-term plan.
Based on your age or medical history, or your family's medical history, you may be rejected by the insurer from being eligible for a short-term plan. While your premium cannot be based on health status or gender, it is possible you could be denied coverage. Be sure to check the list of exclusions on any plan you are considering.

Preexisting conditions are not covered.
Short-term plans provide coverage for medical conditions that have not yet arisen, but they will not help for medical conditions you already have. Also, if you are pregnant when you buy the plan, it will not cover any medical expenses associated with your pregnancy.

Short-term plans are not comprehensive health coverage.
Short-term plans are not required to provide the "essential health benefits" required by the Affordable Care Act. These plans typically exclude coverage for services such as routine office visits, preventive care, maternity care, outpatient prescription drugs, and mental health or substance abuse treatment.

You may have to pay extra expenses.
You may be responsible for copayments, deductibles and coinsurance under a short-term plan. The short-term plan may also have an annual or lifetime limit on benefits. If you have a serious illness or major accident, the plan may not cover all of your expenses.

Avoid a gap in coverage.
Even if you have a short-term plan, you can only enroll in a regular comprehensive medical plan during an open enrollment period. The next open enrollment for Minnesota's individual health insurance market, MNsure, is November 1, 2018 - January 13, 2019.

Who can I contact for more information?

Minnesota Commerce Department
Consumer Services Center
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651-539-1600
800-657-3602 (Greater Minnesota)