

# Supplemental Health Insurance

**Supplemental Health Insurance plans typically pay a set benefit directly to an individual for services covered by the plan.** Generally, these plans can be renewed as long as premiums are paid and pay benefits regardless of other coverage you have. They are also considered “excepted benefits” under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). This means because they are not intended to pay providers directly for medical expenses, they are not subject to many of the requirements for major medical health coverages.



## Voluntary and Supplemental

Plans are supplemental to, not substitutes for, major medical coverage



## Financial Protection

Benefits can be used to pay OOP medical expenses and/or everyday expenses (e.g., transportation, food, rent)



## Affordable

Because these policies are have set benefits with dollar limits, premiums are affordable

## Supplemental Coverage is Not Primary Medical Coverage

It is important to know that Supplemental Health Insurance is not primary medical coverage, but rather a form of financial protection for those that have primary coverage such as the following:

**Major Medical Coverage**, which covers a broad variety of health care services, is expense based, and benefits are paid directly to the provider.

**Mini-Med Plans**, which are marketed as major medical coverage, but have low lifetime and annual limits, and reduced or no out-of-network coverage.

**Short-term Limited Duration Insurance**, which is expense-based coverage used as comprehensive coverage during transitional periods.

## Types of Supplemental Health Insurance

### Accident-Only

- Pays a benefit after an accident
- Pays benefits as a lump sum or fixed dollar amount as specific services are received

### Hospital or Other Fixed-Indemnity

- Pays benefits when you are admitted to a hospital, have a diagnostic procedure, outpatient surgery, or other procedures performed in an office or outpatient setting

### Critical Illness

- Pays a lump sum benefit if you are diagnosed with one or more of a pre-determined list of critical illnesses (e.g., cancer, stroke, kidney failure)

### Cancer-Only/Specified Disease

- Similar to critical illness but typically covers a more limited list of specified diseases

## Nearly 10 out of 10 satisfied with Supplemental Health Insurance Coverage

**96%** of consumers are satisfied with **services/benefits covered**

**92%** of consumers are satisfied with the **affordability** of the insurance

**90%** of consumers are satisfied with the **value** received from the premium paid

**50%** of consumers **would have had to take on financial debt or experienced other financial hardship** were it not for supplemental plans