



TO UNDERSTANDING >  
**PACKAGED  
MEDICAL  
INSURANCE**

# 3

## STEPS TO UNDERSTANDING PACKAGED MEDICAL INSURANCE

If you can't afford or don't qualify for traditional major medical health insurance, you may want to consider packaged medical insurance to help protect you from unexpected medical costs. Packaged medical insurance is a way of conveniently bundling together several different insurance products which may also be purchased separately.

These products may include short-term health insurance plans, accident insurance or critical illness insurance, dental and vision insurance, and other types of coverage. The purpose of this booklet is to introduce you to packaged medical insurance and help you understand the value it offers.

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STEP

1

# What is Packaged Medical Insurance?

Packaged medical insurance is a way of conveniently bundling together several different insurance policies that can also be purchased separately.

Typically, these packages are prepared by an insurance agent or broker.

No special discounts are available when these products are packaged together, but you may be able to use a single application to enroll in them all.

Products included in packaged medical insurance may include short-term health insurance plans, accident insurance, critical illness insurance, dental insurance, vision insurance, or other products like drug discount cards.



## Short-term insurance

Short-term health insurance provides you with limited coverage against medical expenses for a set period of time.



## Accident insurance

Accident insurance will pay you a specified dollar amount if you experience a covered accident.



## Critical illness insurance

Critical illness insurance will pay you a specific dollar amount if you are diagnosed with a covered serious medical condition.



## Dental insurance

Dental insurance provides you with coverage for specified dental services.



## Vision insurance

Vision insurance provides you with limited coverage for vision checkups and hardware (glasses or contacts).



## Rx drug program

Prescription drug discount programs offer you discounts on medication at participating pharmacies.

## A note about health reform requirements

None of the insurance products included in packaged medical insurance will protect you from tax penalties under the Affordable Care Act (the “Obamacare” law). People who opt for packaged medical insurance instead of major medical plans typically do so because they cannot afford major medical coverage. Before you opt to go without major medical coverage, make sure you understand what kind of tax penalties – if any – that you may face.

# Packaged medical insurance is all about convenience!

Some people just don't qualify for or can't afford major medical insurance, but they want something to protect them from unexpected costs.



At eHealth, we've talked with lots of these frustrated shoppers and we've crated specific packaged medical insurance bundles to meet the needs they describe.

But the biggest benefit of getting short-term, accident insurance, and other forms of coverage in a medical insurance package is convenience. Packaged medical insurance saves you time and hassle.

## PACKAGED MEDICAL INSURANCE

# VS.

## PURCHASING THESE PRODUCTS SEPARATELY

 <p><b>A single application for multiple products</b></p>	Short-term health insurance	 <p><b>This will mean a different application for each product</b></p>
	Accident insurance	
	Critical illness insurance	
	Dental insurance	
	Vision insurance	
	Rx discount program	

## Billing for packaged medical insurance



When you buy packaged medical insurance, you will be billed separately for each component product in your package.



However, if you purchase your packaged medical insurance through eHealth we can help you set up an automatic payment system with your credit card for more convenience.

# Short-Term Health Insurance



At eHealth, we believe that all packaged medical insurance begins with short-term health insurance. In this section, we'll look at some of the key features of short-term health insurance and how it differs from traditional major medical insurance.

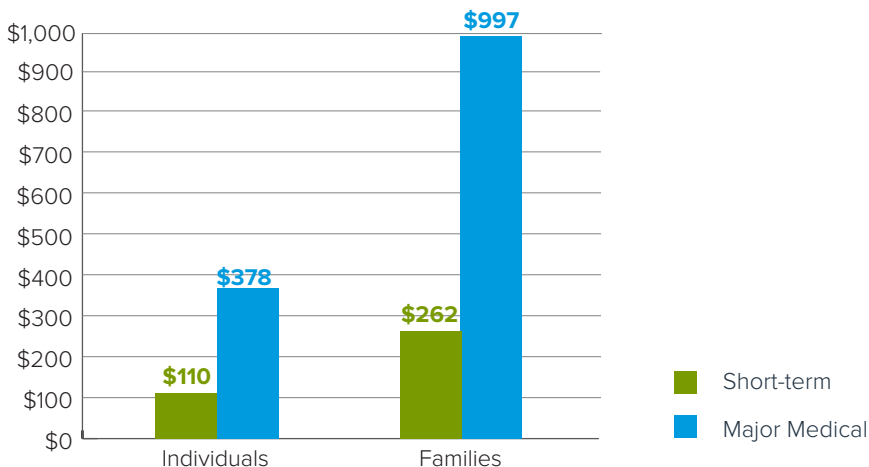
## Short-term insurance is temporary

As the name suggests, short-term health insurance is intended for the short term only. You can generally buy short-term coverage in one-month increments up to 6 -12 months, though some plans may have shorter maximum coverage limits.

## Short-term insurance is affordable

Compared to traditional major medical coverage, short-term plans tend to be relatively affordable. For example, in 2014 the average monthly premiums for short-term plans selected by consumers at eHealth were \$110 for individuals and \$262 for families.

Average Monthly Premiums: Short-Term vs Major Medical Coverage \*



## Short-term insurance is limited

Short-term health insurance is primarily intended to provide you with valuable protection against out-of-pocket costs in case of unexpected injury or hospitalization. Short-term plans may not cover prescription drugs and typically do not cover maternity care or care for pre-existing medical conditions. Short-term plans typically place a dollar limit on how much the insurer will pay for covered medical services while you're enrolled.

## Short-term insurance doesn't meet Affordable Care Act standards

The federal law called the Affordable Care Act (ACA) – otherwise known as “Obamacare” – introduced new rules into the health insurance market, requiring all major medical plans to provide specific benefits and requiring most Americans to have coverage. These rules do not apply to short-term health plans.

## Short-term insurance doesn't protect you from tax penalties

Short-term plans can provide great coverage for temporary needs but you may still face an ACA penalty on your federal tax return for being under-insured if you enroll in a short-term health plan.

## Short-term insurance is not normally guaranteed













When applying for short-term coverage it is possible to be declined based on your personal medical history. However, you can apply for short-term coverage year-round, and in some places, like eHealth.com, some short-term plans may be “guaranteed issue,” which means insurers typically won't decline your application based on your medical history.

### Notes

\* Average premiums based on plans selected by eHealth shoppers at eHealth.com. Average premiums for major medical plans reflect plans selected by unsubsidized eHealth customers during the 2017 open enrollment period, from November 1, 2016 through January 31, 2017. Average premiums for major medical plans reflect plans selected by unsubsidized customers during the 2015 open enrollment period, from November 15, 2014 through February 15, 2015.

# Short-Term Insurance Compared to Traditional Major Medical Insurance

In the table below, we'll review some of the differences between short-term health insurance plans and Obamacare-compliant major medical health insurance plans.

	Short-Term Coverage	Major Medical Coverage
 1. When can coverage start?	Usually within 1 - 14 days	Usually within 2 - 6 weeks
 2. Can it protect me from a tax penalty?	No	Yes
 3. Can I buy it year-round at any time?	Yes	No
 4. Can my application be declined because of pre-existing conditions?	Yes, but some plans will not	No
 5. Will it cover maternity care?	Not usually	Yes
 6. Will it cover some prescription drugs?	Some plans will	Yes
 7. Will it cover visits to the doctor?	Some plans will	Yes
 8. Will it cover things like hospitalization due to injury or serious illness?	Yes, but typically not for pre-existing conditions	Yes
 9. Can it be purchased with a government subsidy?	No	Yes
 10. Does it have a dollar limit on coverage?	Yes	No
 11. Can I renew it every year, as long as the plan is available?	No, but you can re-apply up to two or three times	Yes
 12. How much does it cost?	\$110 on average (in 2014)	\$269 on average (in 2014)

This chart only provides general information about plan types. The specific details of any particular plan can vary. You should always check the plan details to review any specific plan's benefits, limitations, exclusions, and other terms of coverage.

# Accident Insurance



A serious injury can cost you a lot of money – not only in medical bills but in things like income from lost work hours. Some injuries are minor, but others are debilitating and require significant medical care. If you get hurt, accident insurance pays you money that you can use to cover personal expenses, bills, and out-of-pocket medical costs.

## Who Gets Paid?

**You get paid.** When you have a covered accident or injury, your health insurance company pays your doctor or hospital, but your accident insurance company pays you.

## What's Covered

Not all accidents are “qualifying injuries.” The kinds of accidents that are covered can vary by plan but accident insurance plans typically cover things like:



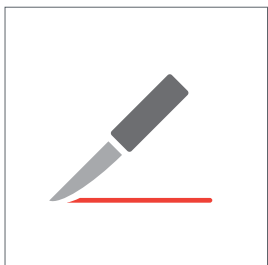
Breaking a limb



Loss of a digit or limb



Burns



Lacerations



Paralysis



Accidental death  
(money is paid to your designated beneficiary)

If you have a covered injury, accident insurance can help you pay for things like:

- Emergency Room Visits
- Ambulance transportation
- Emergency helicopter transportation
- Hospital admissions and per diem charges
- Intensive care and rehabilitation unit care
- Diagnostic exams
- Follow-up treatments
- Physical therapy

## The Cost of Accident Insurance

Depending on your age, where you live, and how much coverage you want, the cost of accident insurance can vary widely. Some plans may be available for as little as \$15 per month. Others with richer benefits may cost \$50 per month or more.



**EXPECT TO PAY SOMEWHERE BETWEEN  
\$15 & \$50 PER MONTH**

## What it Doesn't Cover

Accident insurance will not typically cover things like check-ups or hospitalization due to illness. Accident insurance will not cover you for injuries suffered before you purchased the plan.

See note at the end of this booklet for important disclaimers.

# Two Types of Accident Plans



## Scheduled Payout Accident Plan

A scheduled payout plan will typically reimburse you a set dollar amount for specific services you received. These reimbursements may be more or less than your actual costs. Some scheduled payout plans may provide you with a lump-sum payment.



## Accident Medical Expense Plan

Accident medical expense plans will typically reimburse you dollar-for-dollar when you experience a covered injury. There are no line-items and your reimbursement may match your costs exactly. Annual payout limits may apply.

How would a “scheduled payout plan” and “accident medical expense plan” work differently for the same medical bill?

Medical Bill		Scheduled Payout Reimbursement	Accident Medical Expense Reimbursement
Service	Cost	How much the insurance pays you	
Ambulance	\$150	\$200	\$523
Doctor Services	\$200	\$175	
X-Ray	\$98	\$100	
Medication	\$75	\$50	
<b>Total Bill</b>	<b>\$523</b>	<b>Total Reimbursement: \$450</b>	<b>Total Reimbursement: \$498</b> (Bill minus the \$25 deductible)

This example is provided for illustration purposes only. Actual costs and coverage levels may vary by plan.



# Critical Illness Insurance



How you would pay your bills if you were suddenly diagnosed with cancer and couldn't work? Critical illness insurance doesn't pay your medical bills. It pays you if you're diagnosed with a covered illness. You can spend the money on whatever you want. Some eHealth agents refer to critical illness insurance as "life insurance for the living."

## What's Covered

Critical illness plans can vary widely from one another. Some may focus on a single specific diagnosis, while others may provide you with coverage for a range of possible diagnoses, such as:



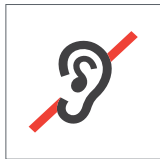
Cancer



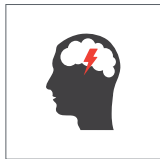
Heart Attack



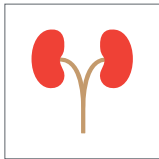
Blindness



Deafness



Stroke



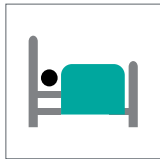
End-stage Renal Failure



Major Organ Transplant



Severe Burns



Coma



Loss of Speech

With critical illness insurance, you can indicate the level of coverage you would like to receive (between \$10,000 and \$100,000, for example). Depending on the details of the plan you choose, some conditions may result in a maximum payout while others may result in only a partial payout. Some conditions may not be covered at all.

## The Cost of Critical Illness Insurance

Depending on your age, where you live, and how much coverage you want, the cost of critical illness insurance can vary significantly. The range is generally between \$50 and \$150 per month.



**EXPECT TO PAY SOMEWHERE BETWEEN \$50 & \$150 PER MONTH**

## More Details

Critical illness insurance often has a waiting period before coverage takes effect. So, for example, you may only receive benefits for covered conditions if they're diagnosed 60 days after you purchased your plan. Some plans may also limit your coverage based on age. For example, they may no longer cover you after age 70.

## A Note about Obamacare Requirements

It's important to note that accident insurance and critical illness insurance products are not major medical health insurance. That means they don't protect you from federal tax penalties for not having health insurance under the requirements of the Affordable Care Act. Accident and critical illness products do not provide the minimum essential health benefits that major medical health insurance plans do.

See note at the end of this booklet for important disclaimers.

# Dental Insurance



Few people get excited about going to the dentist, but having access to regular checkups and cleanings can help you maintain a regime of healthy dental hygiene and prevent tooth decay. Many of us think of dental insurance as an employer-sponsored benefit, but you can also get dental coverage as a packaged medical insurance product, or purchase it separately on its own.

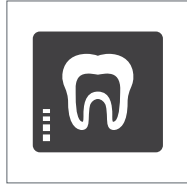
## What's usually covered?



Cleanings



Cavity Fillings



X-rays



Repair Work

**Biannual checkups and cleanings.** Most dental plans will cover regular checkups and cleanings every six months.

**Cavity fillings**

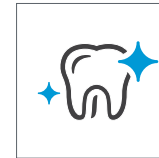
**X-rays**, typically once per year.

**Crowns, root canals and other necessary repair work.** You may have to pay out a deductible first and cover a percentage of your total costs. In some cases, pre-authorization for a dental service is needed.

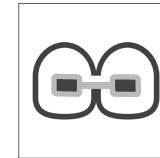
## What's usually not covered?



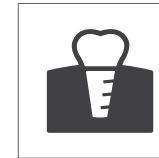
Tooth-colored fillings



Teeth Whitening



Orthodontia



Dental Implants



Dentures

**Tooth-colored ("composite") fillings** may not be covered by your plan. Some plans only cover silver-colored ("amalgam") fillings. If you get composite fillings, you may be required to pay the difference in cost between the two choices.

**Dental implants** may not be covered.

**Orthodontia** is often not covered.

**Dentures** may not be covered.

## What does it cost?



AS LOW AS

**\$20** PER MONTH

See note at the end of this booklet for important disclaimers.

# Vision Insurance



A vision insurance plan may be purchased on its own or as a component of packaged medical insurance. Vision insurance provides you with access to a list of standard benefits that may renew on an annual or two-year cycle. Even if you don't use glasses or contacts, it's important to have your eyes checked on a regular basis.

## What's usually covered?



Vision exams



Vision Hardware



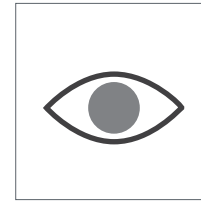
Discounts

**Vision exams.** Vision insurance plans typically cover regular eye exams, usually once per year.

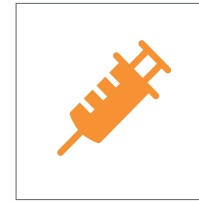
**Vision hardware.** Vision plans also cover contacts or frames and lenses – typically only up to specific dollar amounts (e.g. \$120 per frame).

**Discounts.** Some vision plans may provide you with discounts on things like contact lens solution or even LASIK surgery.

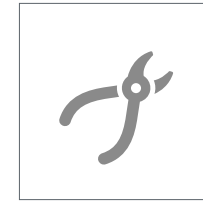
## More Details



Serious conditions



Elective surgery



Hardware extras



Fitting Fees

**Serious conditions.** Care for medical eye conditions such as cataracts or glaucoma – these are typically covered under a health insurance plan

**Elective surgery.** Corrective eye surgery is not covered in full by most vision insurance plans.

**Hardware extras.** Special lens coatings and cases for glasses may not be covered by your vision insurance plan.

**Fitting fees.** Some optometrists charge “fitting fees” when you pick up your new contacts and they assist you to make sure they feel and fit is right. These fees may not be covered by your vision insurance plan.

## What does it cost?



AS LOW AS

**\$14** PER MONTH

See note at the end of this booklet for important disclaimers.

# Rx Discount Programs



Some packaged medical insurance bundles may be available that include prescription drug discount cards. For people without a traditional major medical health insurance plan, prescription drug discount programs provide you with a way to save money on the medications you need. Just be sure you understand how to use your card.

## How they work

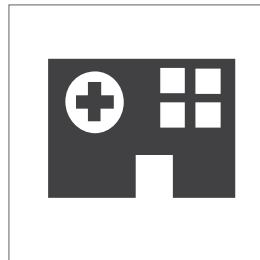
Prescription drug discount programs offer you discounts on covered prescription drugs, but there are some things you ought to know:



Discount cards ≠ insurance



Discounts may vary



Visit participating pharmacies

**Discount cards are not “insurance.”** That is, they will not cover your full costs for drugs prescribed by your doctor.

**Discounts may vary.** Your discounts may differ depending on what kind of prescription drug you need.

In some cases you may see a **significant discount** from the full price of the drug. Other drugs may not be covered at all.

**You need to visit participating pharmacies.** Your prescription drug discount card will not work at every pharmacy, but only at pharmacies participating in your program. Before signing up for a discount card, make sure you can use it at a local drug store.

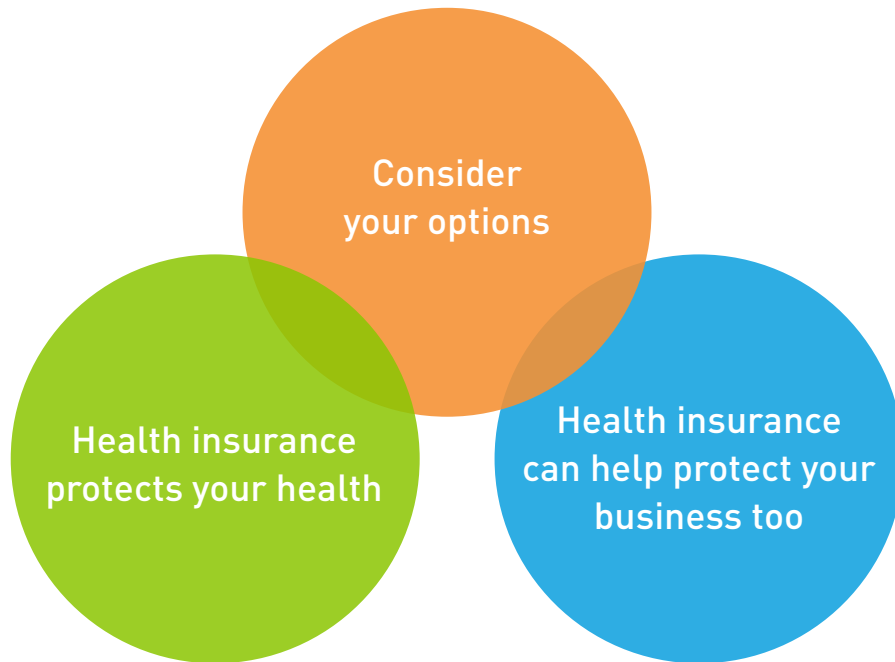
## What does it cost?



AS LOW AS  
**\$5** PER MONTH

# How Does Packaged Medical Insurance Work?

How does packaged medical insurance actually work on a practical level? How do you get it and make the most of it? There are basically three steps to getting and using your packaged medical insurance.



## 1. Consider your options

**Save time and hassle** by applying for a packaged medical insurance bundle that's been pre-selected for you by an agent or broker like eHealth – or purchase your preferred insurance products separately on your own.

## 2. Health insurance protects your health

When you apply for a **pre-selected medical insurance package** through eHealth you can use one application for all the component parts of your package.

Note that depending on your medical history, it's possible you may be declined for one or more of the component products in your package.

## 3. Health insurance can help protect your business too

**After your application is approved** you'll be informed when coverage will begin under each component of your package.

Make sure to pay your monthly premiums (auto-payment may be an option) and enjoy the benefits of coverage.

# Understanding PACKAGED Medical Insurance

We've talked about each of the main insurance products you're likely to find in packaged medical insurance, but there's more you should know.

Will a short-term health insurance plan cover prevent medical care? Can you be declined for accident insurance based on your medical history? The chart below will help you answer questions like these.

	Short-term Insurance	Accident Insurance	Critical Illness	Dental	Vision Insurance	Vision Insurance
Coverage for regular doctor visits when you're sick?	Yes	No	No	No	No	No
Will it pay you or pay your health care provider?	Health care provider	You	You	Health care provider	Health care provider	Not applicable
Can you be declined based on your medical history?	Yes	No	Yes, in some cases	No	No	No
Does it cover for preventive care?	No	No	No	Yes	Yes	Not applicable
Will it meet Obamacare coverage requirements?	No	No	No	No	No	No

### Can I see an example of how packaged medical insurance works?

Sure! While it's just an example, and coverage under your medical insurance package may differ, the illustration below is designed to help you understand how packaged medical insurance may work.

#### Packaged Medical Insurance



**Jane**

Age 28

Jane is a single woman who recently finished graduate school. She's currently working part-time but looking for a permanent job. She

considered major medical insurance but the premium was going to be more than \$300 per month. As an alternative, she considers packaged medical insurance. Here's a comparison of the coverage available under each option she considered:

**Packaged  
Medical  
Insurance**

**Major  
Medical  
Insurance**

	<b>\$185 per month</b>	<b>\$350 per month</b>
	Coverage includes:	Coverage includes:
<b>Emergency care</b>	Yes	Yes
<b>Sick visits to the doctor</b>	Yes	Yes
<b>Extra coverage for major accidents</b>	Yes	No
<b>Preventive medical care</b>	No	Yes
<b>Maternity care, mental health care, etc.</b>	No	Yes
<b>Vision care</b>	Yes	No
<b>Dental care</b>	Yes	No
<b>Prescription drug coverage</b>	No	Yes

Since major medical coverage is too expensive, Jane decides to purchase a pre-selected medical insurance package.

The package she chooses includes the following:

Type of insurance	Monthly Premium
Short-term health insurance	\$110
Accident insurance	\$35
Dental insurance	\$20
Vision insurance	\$15
Rx discount program	\$5
<b>Total</b>	<b>\$185 per month</b>



Jane knew that her packaged medical insurance wasn't going to provide her with the same coverage as a traditional major medical health insurance plan, and that she might still be left open to a tax penalty under Obamacare.

However, her coverage came in handy and saved her a lot of money when Jane unexpectedly had a bicycling accident. A month later, she needed new glasses. Here's how her costs and savings worked out:

#### Medical Costs

Ambulance ride:	<b>\$750</b>
Diagnosis: compound fracture of the leg!	<b>N/A</b>
Hospital fees, doctor fees, x-ray feeds for initial visit and follow-ups	<b>\$20,000</b>
Pain medication prescription and refills	<b>\$350</b>
Optometrist visit and new prescription glasses	<b>\$450</b>

Total costs Jane faces:

**Total \$21,550**

#### Jane's Savings and Payouts

Ambulance ride:	<b>\$150</b> (accident insurance)
Diagnosis: compound fracture of the leg!	<b>\$4,000</b> (accident insurance)
Hospital fees, doctor fees, x-ray feeds for initial visit and follow-ups	<b>\$12,500</b> (short-term health insurance)
Pain medication prescription and refills	<b>\$100</b> (Rx discount program)
Optometrist visit and new prescription glasses	<b>\$250</b> (vision insurance)

Jane saved a total of **\$17,000**



# When Should You Consider Packaged Medical Insurance?

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If you have employer-based health insurance or can afford to purchase an Obamacare-compliant major medical plan, packaged medical insurance may not be the best option for you. However, there are different times and situations when packaged medical insurance may be a good choice.

## When you're waiting for other forms of coverage to begin

If your health benefits under a new job don't begin right away, packaged medical insurance will provide you with diverse protections in case of unexpected accidents or medical expenses.

## When you can't afford comprehensive major medical coverage

The cost of major medical health insurance keeps increasing and many people struggle to pay monthly premiums that can range from an average of \$375 for individuals to near \$1,000 for families every month.\*

## When you don't qualify for major medical coverage

The fact is, you may not be able to purchase major medical health insurance outside of a limited annual enrollment period, or when you experience a specific qualifying life event. If you find yourself without coverage during the in-between times, packaged medical insurance may provide you with valuable protections.

## When you only want "just in case" coverage

Some people (especially young people) don't want robust health insurance coverage; they only want something to help out in case of unexpected accidents or illnesses. Packaged medical insurance is designed to provide this kind of protection.

## You can cancel at any time

Everyone's coverage needs change over time. If your needs change, you can cancel your packaged insurance products at any time. You can cancel them individually or contact your licensed agent or broker for help to cancel them all at once.

\* Average costs based on eHealth's Health Insurance Price Index Report for the 2017 Open Enrollment Period.

# ANSWERS

## to Common Questions about Packaged Medical Insurance



“  
**What if I only want one or two of the products included in a medical insurance package?**  
”

All of the individual products included in packaged medical insurance can be bought individually.

“  
**Can I be declined for packaged medical insurance based on my medical history?**  
”

Most packaged medical insurance bundles include short-term health insurance. It is possible to be declined for short-term coverage based on your medical history.

“  
**Is there a discount when I buy these products in a package?**  
”

No, there is no discount, but you can save a lot of time and hassle by using a single application when you purchase a pre-selected package of products.

“  
**How does billing work when I have a claim?**  
”

Some medical providers will bill your short-term health insurance plan directly (you may need to see a network provider), and the same may be true with dental and vision insurance plans. Other claims you may need to submit on your own. Your licensed agent or broker can help you understand how to do so.

“  
**Will packaged medical insurance meet my coverage requirements under health reform?**  
”

No, you may still be subject to a tax penalty under the law. Packaged medical insurance provides an alternate form of protection for people who may not qualify for or cannot afford major medical coverage.

## To Learn More

We hope this booklet helped you understand what packaged medical insurance is and how it works. To learn more about packaged medical insurance and other personal coverage options, visit eHealth online at [eHealth.com](http://eHealth.com).



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