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Consumer Advisory – Know The Details When You Shop for Health Insurance Coverage

There are many options to pay for medical treatment, from traditional health insurance to short-term policies to special membership programs. Shopping for ways to pay for medical treatment can be extremely confusing. Before you make your purchase, it is important that you understand:

- a) how much the coverage you are purchasing will cost. The fees you pay can include any combination of the following expenses: program fee, premium, deductibles, copays, mandatory and/or voluntary contributions, administrative fees, and/or coinsurance;
- b) how much the coverage you are purchasing will cover. This includes limits on amounts it will pay, when it will pay, and any other restrictions;
- c) the rights you have if it does not pay (can you appeal the decision and to whom); and
- d) which doctors' and hospitals' services will be covered.

If you are considering a traditional health insurance plan, the Maryland Insurance Administration's Health Insurance Shopping Tool is a good way for you to compare the features of the insurance, including coverage, deductibles, and copayments. The Health Insurance Shopping Tool is available on our website at: <https://insurance.maryland.gov/Consumer/Documents/publicnew/Health-Insurance-Shopping-Tool.pdf>.

In addition to the traditional health insurance plans that are available, it is important to know the details about some of the options you may hear about so that you can make an informed decision:

1. Discount Medical Plans and Discount Drug Plans - Discount medical plans and discount drug plans are NOT insurance and do not pay any of your health care costs. Instead, discount plans offer savings to plan members on various health care goods and services. Depending upon the plan, services can include discounts on prescription drugs, doctor visits, eyeglasses, vision care, dental services and/or lab tests. The discounts are made available through arrangements between health care

providers and the organization offering the discount plan. For more information go to: <https://insurance.maryland.gov/Pages/newscenter/NewsDetails.aspx?NR=20131>.

2. Short-Term Medical Plans - If you need coverage for only three months or less, you may be eligible to purchase a short-term individual insurance policy. These plans may use your health history to deny you a policy or to deny claims for pre-existing conditions. Make sure this type of policy will meet your needs before you purchase. You may enroll in these short-term individual plans year-round. For more information, go to: <https://insurance.maryland.gov/Consumer/Pages/Is-a-Short-Term-Medical-Plan-for-You.aspx>.
3. Health Care Sharing Ministries – Health Care Sharing Ministries, or Religious Publication Arrangements as they are called in Maryland, are groups whose members share a common set of ethical or religious beliefs and agree to share medical expenses among its members. Health Care Sharing Ministries are NOT insurance and are not required to offer essential benefits traditional health plans must offer. Instead, members of Religious Publication Arrangements agree to make voluntary contributions to help pay all or some portion of the eligible medical expenses of fellow members. You are not guaranteed that any part of your medical expenses will be paid by fellow members, and you are responsible for all expenses related to the medical treatment. You need to read the description of the program carefully to make sure you understand any guidelines and limitations that the program has. Please note that in Maryland, such groups must meet certain criteria including that it is a nonprofit religious organization who publishes a newsletter for subscribers who are all members of the same denomination or religion, and the arrangement cannot be based on a contract.

Important Note

If someone is trying to sell you health insurance, make sure that the person selling the plan is licensed, and that you understand what the plan will and will not cover. Make sure you understand any disclosures, made in writing or over the phone, before you say that you understand them. Contact the Maryland Insurance Administration at (800) 492-6116 or www.insurance.maryland.gov to determine if the person is licensed and ask general questions about health insurance or the other options discussed in this Advisory.

DISCLAIMER: The information presented in this Consumer Advisory is intended for educational purposes only, and is not intended to provide legal advice or a specific recommendation.