

INSURANCE *Specified Disease & Limited Benefit Plans*

Limited Benefit Plans go by many names: Short Term, Limited Indemnity, Limited Benefit, Hospital Only or Specific Conditions Plans. It is advisable to have insurance coverage for all conditions, not just one condition or disease.

Consumers should be knowledgeable about what they are purchasing.

Ask questions and carefully read the policies. Words like “complete coverage” and “buy only what you need” are NOT replacements for a major medical or ACA-compliant plan. Carefully read all exclusions and limitations. Unlike comprehensive ACA plans, pre-existing conditions exclusions will most likely apply.

If consumers have questions about a plan, please contact the Department of Insurance (DOI.) Currently, only one insurer in Wyoming provides an ACA compliant comprehensive individual major medical policy. All other carriers that offer plans are limited benefit plans. There is a time and a place for these types of plans, but be aware of what you are purchasing. (If you have Medicare, you should consider a comprehensive Medicare Supplement policy. Low-income people receiving Medicaid do not need any more insurance.)

Duplicate Coverage is expensive and unnecessary. Buy basic coverage first, such as a comprehensive medical policy. Make sure any additional policy will meet needs not met by your basic insurance. Double coverage does not mean double benefits. To find out if you can get benefits from both policies, contact your agent and check the language in your policy.

Medical costs of treatment vary. For example, hospitalization accounts for 78% of cancer costs and physician services account for about 13%. The remainder goes for other professional services, drugs, and nursing



home care. Cancer patients often face large, non-medical expenses such as home care, transportation and rehabilitation costs that are not usually covered by cancer insurance.

Do not be misled by emotions. Statistically, 3 in 10 Americans will get cancer over a lifetime, but 7 in 10 will not. In any one year, only one American in 250 will get cancer. The odds are against you receiving any benefits from a cancer policy. Be sure you know what conditions must be met before the policy will start to pay.

Limited Benefit Policies vary widely in cost and coverage.

Contact different companies and agents to compare policies before you buy. Common limitations are:

- **Some policies pay only for hospital care.**

Some treatment is given on an outpatient basis only. The average stay in the hospital for a cancer patient is only 13 days, so a policy that pays only when you are hospitalized has limited value. Some policies only increase benefits after a patient has been in the

hospital for 90 consecutive days. Large dollar amounts for extended benefits have very little value for most patients.

- **Many limited benefit insurance policies have fixed dollar limits.**

For example, a policy might pay up to \$1,500 for surgery costs or \$1,000 for radiation therapy, or it might have small, fixed payment hospital stays. Others limit total benefits to a fixed amount. With rising health care costs, these limits may be only a fraction of the total cost.

- **No policy will cover cancer diagnosed before you applied for the policy.**

Some policies will deny coverage if you are later found to have had cancer at the time of purchase, even if you did

not know it.

- **Most cancer insurance does not cover cancer-related conditions.**

Cancer or its treatment might lead to other problems such as infection, diabetes, or pneumonia that are often excluded from coverage.

- **Many policies contain time limits.**

Some policies require waiting periods of 30 days or even several months before you are covered. Others stop paying benefits after a fixed period of 2-3 years.

Remember: Limited Benefit Plans are Not the Same as Comprehensive Coverage.

If you and your family are not protected against catastrophic medical costs, you should consider a comprehensive medical policy. These policies pay a larger percentage of covered costs after a deductible is paid. Comprehensive medical policies will cover accidents or sicknesses, including cancer and other diseases. They cost more than limited benefits plans, but they cover more so they are generally considered a better buy.



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