



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, gap insurance plans, fixed indemnity medical insurance plans, dental and vision insurance plans, and more.

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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 on premiums or monthly fees are available when these products are packaged together, but application fees may be reduced in some cases and 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, gap insurance, indemnity medical insurance, dental insurance, vision insurance, and other products like telemedicine or drug discount cards.



## Short-term insurance

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



## Gap insurance

Gap insurance will pay you a specified amount of money if you have a covered injury or diagnosis.



## Indemnity medical insurance

Indemnity medical insurance is designed to help you cover costs associated with hospitalization.



## 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).



## Telemedicine

Telemedicine provides you with access to medical professionals by telephone 24 hours a day. (This product is not insurance.)



## Rx drug discount program

Prescription drug discount programs offer you discounts on medication at participating pharmacies. (This product is not insurance.)

## 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 "ACA" or the "Obamacare" law). Also, these insurance products generally don't cover pre-existing conditions or the minimum essential benefits under the ACA. People who opt for packaged medical insurance instead of major medical plans typically do so because they cannot afford major medical coverage.

# 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 in response we've begun offering packaged medical insurance bundles to meet the needs they describe.

But the biggest benefit of getting short-term coverage, 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>
	Gap insurance	
	Dental insurance	
	Vision insurance	
	Rx discount program	
	Indemnity medical insurance	

## The triple convenience of packaged medical insurance

While the different components of packaged medical insurance may be purchased separately, packaged medical insurance can make your life more convenient in three different ways:



A single application



A single billing system



A single claims process

- **A single application** – With packaged medical insurance, you can generally use one online application process to apply for coverage in all the separate coverage components of the package you've selected.
- **A single billing system** – Some packaged medical insurance products may allow you to pay a single, consolidated monthly bill for each coverage component of your package, rather than paying for each line of coverage separately.
- **A single claims process** – Some packaged medical insurance products may provide you with a single point of contact for all your claims, so (for example) you may not need to worry whether a specific bill should be submitted to your gap insurance plan or your short-term health insurance.

Not all packaged medical insurance products offer these conveniences. eHealth can help you understand which of the packaged medical insurance products in your area do.

# 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.

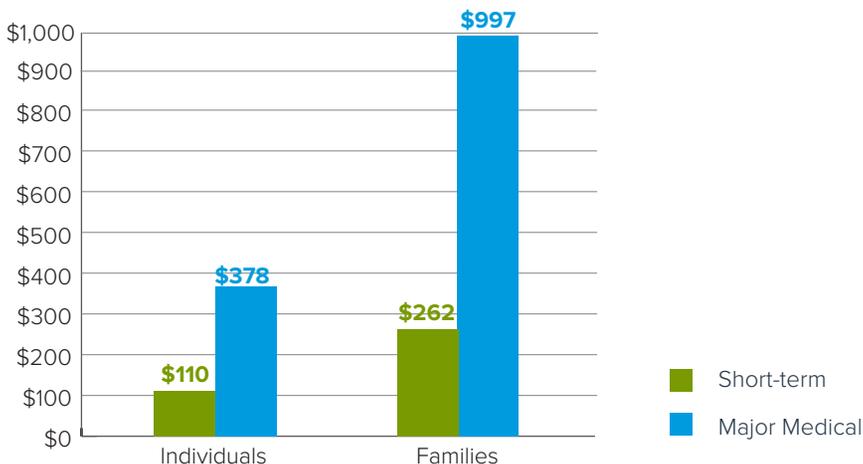
## Short-term insurance is temporary

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 the maximum duration allowed by law.

## Short-term insurance is affordable

Compared to traditional major medical coverage, premiums for short-term plans tend to be relatively affordable. For example, in 2016 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 eHealth shoppers at eHealth.com. Short-term figures are from 2016: for more information, refer to eHealth's March 10, 2017 press release. Major medical figures are from the 2017 open enrollment period (November 1, 2016 – January 31, 2017): for more information, refer to eHealth's Health Insurance Price Index Report for the 2017 Open Enrollment Period.

# 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?	Yes, in many cases	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 may be able to re-apply 2-3 times	Yes
 12. How much does it cost for an individual?	\$110 on average (in 2016)*	\$378 on average (in 2017)

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. \*Estimates based on analysis of eHealth customers, as described in Notes on previous page.

# Gap Insurance



Gap insurance may be a new idea for some, but these products blend some of the benefits of accident insurance policies and critical illness insurance policies. The idea behind gap insurance is to provide you with a direct payout if you experience an unexpected serious injury or receive a serious medical diagnosis.

## What's Covered?

The incidents and diagnoses that are covered under gap plans may differ from one to another, and the amount of your possible payout may differ too. That said, many gap insurance policies will typically provide a payout for things like:



Breaking a limb



Loss of a digit or limb



Paralysis



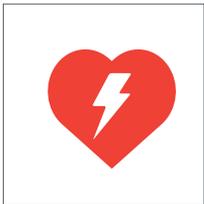
Accidental death  
(money is paid to your designated beneficiary)



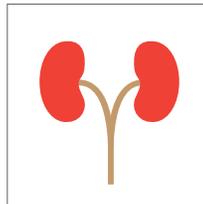
Stroke



Cancer



Heart attack



End-stage renal disease

## What's not covered?

Generally speaking, gap insurance is for unexpected serious injuries or diagnoses only. Each gap insurance plan is different and you'll want to read the coverage details and exclusions to understand what's not covered.

## Who gets paid?

If you experience a covered injury or receive a covered medical diagnosis, you get paid – not the doctor. You can use the payout from gap insurance for anything you want – medical bills, non-medical living expenses, or anything else!

## The Cost of Gap Insurance

A gap insurance plan as a stand-alone product commonly costs \$50 - \$100 per month in premiums. Check with eHealth for a quote applicable to you. Prices vary based on individual circumstances, geographical area, and other factors.

**COMMON MONTHLY PREMIUMS RANGE:**  
**\$50 - \$100 PER MONTH**

# Indemnity Medical Insurance



Indemnity medical insurance is not a traditional medical insurance product but is primarily designed to provide you with coverage up to certain limits for items such as unexpected hospitalization. Coverage for office visits and other services may also be provided.

## What's covered?



Hospitalization



Unexpected injury or illness



Office visits may be covered

Indemnity medical plans provide you with coverage in specific dollars amounts when you are hospitalized for an unexpected injury or illness, though other services may also be covered, such as office visits and laboratory work.

## Restrictions and limitations may apply

Specific coverage caps apply based on the medical care you receive, and your personal medical history may be taken into consideration when you apply for coverage since these products are intended for unexpected medical issues rather than chronic conditions.

## What does it cost?

Like many insurance products, your monthly premiums may vary based on your age and other factors, but coverage under indemnity plans can cost as little as \$50 per month when purchased separately from a packaged medical insurance product.

Check with eHealth for a quote applicable to you. Prices vary based on individual circumstances, geographical area, and other factors.

**AS LOW AS**  
**\$50 PER MONTH**

# 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** to repair damage from tooth decay.

**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.

As with all insurance products, check the details of any specific plan you are considering to understand what is covered. Even when a plan covers a type of service, there are typically limits on coverage. For example, dental plans may limit the total dollar amount paid in a year or may limit the number of times you may receive coverage for a type of service in a year.

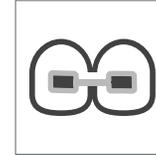
## What's usually not covered?



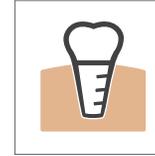
Tooth-colored fillings



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.

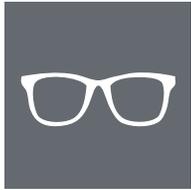
**Dentures** may not be covered.

## What does it cost?

Check with eHealth for a quote applicable to you. Prices vary based on individual circumstances, geographical area, and other factors.

**AS LOW AS**  
**\$20 PER MONTH**

# Vision Insurance



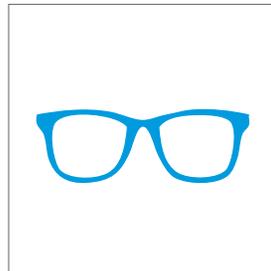
A vision insurance plan may be purchased on its own or as a component of packaged medical insurance. Vision insurance provides you with access to a list of standard benefits that may renew on an annual or two-year cycle. Even if you don't use glasses or contacts, it's important to have your eyes checked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

## What's usually covered?



Vision exams

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



Vision hardware

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

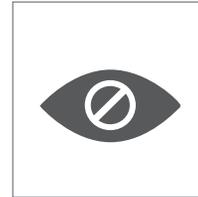


Discounts

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

As with all insurance products, check the details of any specific plan you are considering to understand what is covered. Even when a plan covers a type of service, there are typically limits on coverage. For example, vision plans may limit the total dollar amount paid in a year or may limit the number of times you may receive coverage for a type of service in a year.

## What's usually not covered?



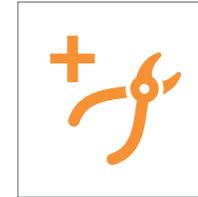
Serious conditions

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



Elective surgery

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



Hardware extras

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



Fitting fees

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

## What does it cost?

Check with eHealth for a quote applicable to you. Prices vary based on individual circumstances, geographical area, and other factors.

AS LOW AS  
**\$14** PER MONTH

# Telemedicine



Telemedicine is an up-and-coming way of delivering and receiving medical care. Telemedicine plans provide you with access to medical professionals for advice and consultations by telephone, computer or mobile device.

## What's covered?



Telephonic consultation



In-home lab tests



Telemedicine tools

The idea behind telemedicine is to provide you with 24/7 access to medical professionals and doctors.

If you're feeling sick but don't have time to visit the doctor, a **telephonic consultation** may be enough for the doctor to diagnose you and potentially write you a prescription.

**In-home lab tests** may also be covered in some cases.

**Telemedicine tools** may also be able to help you monitor your own health, which can be especially helpful for those with certain chronic conditions.

## What does it not cover?

Telemedicine is a service rather than an insurance product. It does not provide you with coverage for in-office doctor visits or for the treatment of medical conditions.

While telemedicine can help you address a lot of your medical care needs, certain symptoms and conditions may require an in-person visit with your physician.

## What does it cost?

Telemedicine is often available for as little as \$25 per month. Check with eHealth for a quote applicable to you. Prices vary based on individual circumstances, geographical area, and other factors.

AS LOW AS  
**\$25** PER MONTH

# Rx Drug Discount Program



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 does it work?

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



Discount cards  $\neq$  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.

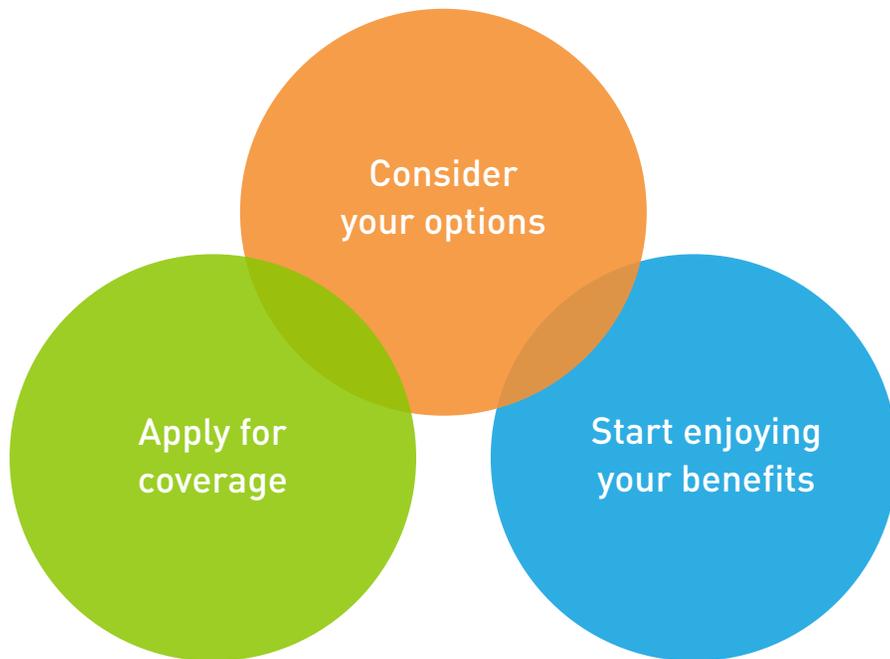
## What does it cost?

Check with eHealth to see what cards are available.

**SOME CARDS 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. Apply for coverage

**When you apply** for a pre-selected medical insurance package through eHealth you can use one application process 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. Start enjoying your benefits

**After your application is approved** you'll be informed when coverage will begin and end 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 and other 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 preventive medical care? Can you be declined for gap insurance based on your medical history? The chart below will help you answer questions like these.

	Short-term insurance	Gap insurance	Indemnity medical	Dental insurance	Vision insurance	Telemedicine	Rx drug discount program
Coverage for regular doctor visits when you're unexpectedly sick?	Yes	No	In some cases	No	No	Consultation by phone	Not applicable
Will it pay you or pay your health care provider?	Health care provider	You	Health care provider	Health care provider	Health care provider	Not applicable	Not applicable
Can you be declined coverage at all based on your medical history?	Yes	Yes, in some cases	Yes, in some cases	No	No	Not applicable	Not applicable
Does it provide some coverage for preventive care?	No	No	No	Yes	Yes	Not applicable	Not applicable
Will it meet Obamacare coverage requirements?	No	No	No	No	No	No	No

This chart only provides a simplified overview that does not fully reflect the details of actual plans. Be sure to refer to the official plan documents for each plan for coverage details and the other terms and conditions actually applicable to each plan.



## 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 \$350 per month, which she couldn't afford. As an alternative, she considers packaged medical insurance. Here's a comparison of the coverage available under each option she considered:

This chart only provides a simplified view of possible factors to consider. The level of coverage, limitations on coverage, and many other terms and conditions for these products are generally not directly comparable between these different product types.

For example, "yes" does not mean a product covers all costs associated with a category of care, but that the product may provide some benefit or partial coverage applicable to the category. Please refer to plan documentation and details when considering whether to purchase any particular type of plan.

Packaged medical insurance

Major medical insurance

Possible costs for this age category:	\$230 per month	\$350 per month
	Coverage includes:	Coverage includes:
Emergency care	Yes	Yes
Sick visits to the doctor	Yes	Yes
Extra coverage for major accidents	Yes	No
Preventive medical care	No*	Yes
Maternity care, mental health care, etc.	No	Yes
Vision care	Yes	No
Dental care	Yes	No
Prescription drug coverage	Discounts available	Yes

Check eHealth for actual costs available to you. Costs vary based on age, geographical area, and other factors.

\*Some indemnity medical plans may provide limited coverage for wellness care

Since major medical coverage is too expensive for her, 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
Gap insurance	\$60
Dental insurance	\$40
Vision insurance	\$15
Rx drug discount program	\$5
<b>Total</b>	<b>\$230 per month</b>

The dollar figures provided in this section are examples and provided for hypothetical illustration purposes only and are not intended as quotes or to reflect costs of actual plans. The actual costs of coverage and medical care may vary. This example is not intended to be representative of likely or common outcomes.



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>
Care rendered for compound fracture	<b>N/A</b>
Hospital fees, doctor fees, lab fees for initial hospital stay & follow-ups	<b>\$20,000</b>
Pain medication prescription and refills	<b>\$350</b>
Optometrist visit and new prescription glasses	<b>\$450</b>
<b>Total costs Jane faces:</b>	<b>\$21,550</b>

Jane's Savings and Payouts	
Ambulance ride:	<b>\$150</b> (gap insurance)
Care rendered for compound fracture	<b>\$4,000</b> (gap insurance)
Hospital fees, doctor fees, lab fees for initial hospital stay & 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)
<b>Jane saved a total of:</b>	<b>\$17,000</b>

# When Should You Consider Packaged Medical Insurance?

If you have employer-based health insurance or can afford to purchase an Obamacare-compliant major medical plan, then 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 should buy packaged medical insurance



Waiting for coverage to begin



You can't afford major medical coverage



When you don't qualify for major medical coverage

### 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 may 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 \$378 for individuals to nearly \$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, unless 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.

However, packaged medical insurance will not satisfy the requirements of Obamacare, including the requirement for individuals to maintain qualifying health insurance.

### 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.

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

No, there is no discount, but you can save time and hassle by using a single application when you purchase a pre-selected package of products. You may also save money on application fees when you apply for packaged medical insurance.

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

No, you may still be subject to a tax penalty under the law. Also, these products are not designed to provide the comprehensive coverage required by the Affordable Care Act for qualifying health insurance plans. Packaged medical insurance provides an alternate form of protection for people who may not qualify for or cannot afford major medical coverage.

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

It is possible to be declined for some component products of a packaged medical insurance bundle. In particular, most of these products will not cover pre-existing conditions or may have waiting periods before covering certain conditions. If you're concerned about being declined based on your medical history, contact a licensed agent at eHealth or elsewhere to learn about your options.

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

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



## 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**.



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