

Individual Health Insurance FAQ's

By: Healthcare.com

Access to affordable individual health insurance plans provides you and your family with peace of mind. Choosing the best health insurance plan can be difficult. Learning as much as you can about your health insurance options can help you to make an informed decision. Here are some of the most frequently asked questions about purchasing a health insurance plan. We have tried to put together as comprehensive a list as possible, but as always, if you have additional questions, please contact a qualified health insurance agent or broker.

How do I choose the best health insurance plan for me?

Despite what you may have heard there are many health insurance options available to you today. You will be able to find a health insurance plan that fits your particular needs. Choice of doctors and costs are usually the main concerns people have when shopping for individual health insurance plans. If having the freedom to use any hospital or see any doctor you want is most important to you – than you may want a Fee for Service plan. These individual health insurance plans offer the most freedom, but they will come with the highest price tag. If cost is your main concern, then a managed care plan with a high deductible, or some type of group health insurance, will be the better option.

There are also many variables within specific healthcare plans. The key to deciding what type of health insurance is best for you is to understand your needs and know your options.

What types of individual health insurance plans are out there?

There are many types of health insurance options to choose from, including:

Fee-for-service: A Fee-for-service plan, sometimes called an indemnity plan, is the most traditional and basic type of health insurance policy. In a Fee For Service Health Care plan – you can see any physician or healthcare provider you like, and the health insurance company will pay a predetermined amount direct to that provider for treatment fees. You will be required to pay the balance, if any.

HMOs (Health Maintenance Organizations): HMO plans provide full health care services through a specific network of doctors, hospitals, laboratories, pharmacies, who have agreed to participate in the plan. Surgery, hospitalization and reduced-rate prescriptions are also commonly included in this type of health insurance.

Point-of-Service plan (POS): Is an option offered within an HMO plan, which allows you to visit doctors and hospitals outside of your network, as long as a coinsurance fee is paid.

Preferred Provider Organization (PPOs): A PPO is kind of a hybrid between a fee-for-service healthcare plan and an HMO. Unlike an HMO, the network of providers do not necessarily reside at the same location. Like a POS plan, you may decide to step outside of the network, but you will have to pay a coinsurance fee when you do.

Accident-only policies, as the name implies, provide insurance coverage only for surgery, hospitalization, or other treatments resulting from an accident.

Dread-disease insurance: this type of plan is a very good option for individuals who suffer a pre-existing serious medical condition. This plan covers the expenses associated with a single disease such as: AIDS, or Cancer. Be sure you understand the waiting period required, maximum benefits and what is the maximum period of time in which benefits are payable, before purchasing a specific disease policy.

Catastrophic Insurance. This type plan is also what was once referred to as "Major Medical". It covers surgery and other "major" hospitalization expenses. This type of health insurance can prevent you from suffering financial ruin, in the face of significant illness or injury.

Home health care: this supplemental plan is perfect for individuals who need health care in the comfort of their own home, usually seniors or the disabled. Services may include full-time nursing, assisted living, etc.

Long term care insurance: Many people think that Medicare provides adequate insurance for long-term care. In most cases it does not. Long-term care insurance provides basic medical care, but also certain non-medical services. For instance, these policies usually offer delivery of prepared meals, assistance for individuals who need support in activities such as dressing, bathing, using the bathroom, or other daily tasks. Long-term care policies often provide coverage care both in home or at nursing facilities.

Is there any significant difference between group health insurance and Individual health insurance plans?

There are quite a few differences between group and individual health insurance. Which is right for you will depend on your particular needs and circumstances. Some of the main differences are:

Group health insurance tends to be less expensive than an individual plan due to the "buying power" of the large group.

You have more options with individual health insurance plans, but you will also pay more money.

Generally you are less likely to be turned down, or denied cover as part of a group health insurance plan – but keep in mind that the terms of each policy vary from state, insurance company, and in the employer or group.

Does a pre existing medical condition or a past medical problem affect me when applying for Individual health plans?

It may or may not; it depends on the insurance company you are dealing with. However, most of the insurance companies do offer medical health plans that include full protection, no matter your medical history. However, you may be charged a higher premium based on lifestyle or medical history. You must keep in mind that there is always a possibility of being turned down, but there are alternate plans you can look into if this happens. Insurance companies usually offer a policy that excludes your pre-existing medical condition; or they may have waiting periods that delay coverage for your medical condition for a period of time.

How long will it take for my application to be approved?

Most insurance companies will approve an application within four weeks. Depending on your location, the timeframe might be longer, especially if additional paperwork or requirements are needed, such as specific medical tests. Some insurance companies will ask for your medical records. Acquiring these from all of your healthcare providers can delay the process.

Do individual health insurance plans include dental benefits?

In most cases it does, but this depends on your specific plan. You can either request it, or add a supplemental dental plan. Keep in mind that all health insurance coverage varies from state to state, and insurance company to insurance company.