

Health Benefit Plans:

What you need to know when applying for an individual health benefit plan

Filling out an application for an individual health benefit plan can be confusing and difficult. Insurance companies closely review the information you provide on these applications. That's why it's very important that you educate yourself about individual health benefit plans and your rights as a consumer.

To make the application process easier, the Kentucky Department of Insurance suggests that you keep the following information in mind when securing an individual health benefit plan for yourself and your family.

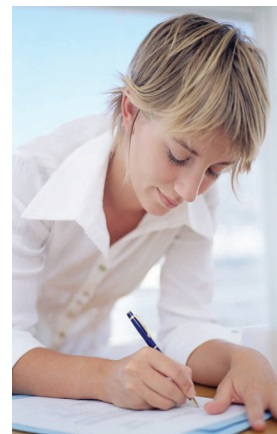
What is an Individual Health Benefit Plan?

An individual health benefit plan is a major medical health plan that can be purchased for yourself and/or your family. It is not health coverage that is supplied by an employer, and does not include plans such as cancer, dental or disability.

Overview of a Health Benefit Plan Application

In Kentucky when applying for an individual health benefit plan, the insurance company may request:

- ✎ Common information such as name, age, gender, address, Social Security number, marital status, dependents, occupation and whether any of the applicants have other health insurance coverage in force or are covered under Medicaid/Medicare programs.
- ✎ The date you would like coverage to be effective.
- ✎ Health information about yourself and other family members desiring coverage. Extensive medical and health information will be expected for the applicant and any other family member listed on the application. The information requested can vary, so pay close attention to the number of years of medical history required and the exact health information requested.
- ✎ Whether anyone listed on the application has previously been declined health, disability or life insurance, or had their health, disability or life insurance canceled.
- ✎ If you answer "yes" to any of the background health questions on the application, provide the name of the family member, their physician's information and the exact details regarding the dates and nature of their condition.



Obtaining Medical Records

To ensure you do not inadvertently fail to disclose material information, you should retrieve all of your medical records. Some physicians might ask you to send your request in writing. Others may also charge a fee for reproducing your medical records. As a general rule, it is a good idea to request a copy of your files each time you switch doctors.



What is a Pre-existing Condition?

A pre-existing condition is a physical or mental condition for which medical advice, diagnosis, care or treatment was recommended or received within six months of the date the company receives your substantially complete application. Even if an insurance company approves your coverage, it might restrict coverage of pre-existing conditions completely or for a twelve-month period.

However, once you are accepted for coverage, the company may only cancel your policy for nonpayment of premium or for a deliberate falsification of a material fact, such as omitting a pre-existing condition from an application. Sometimes pre-existing conditions will cause a claim to be denied.



Complete Disclosure is Required Before Signing the Application!

The last part of the application is an agreement that typically states any misrepresentation or failure to disclose requested or material information could result in an approved insurance contract being terminated. Giving accurate and honest answers will save you possible problems. Sign the health insurance application only after you have reviewed it carefully to be sure the answers are complete and accurate.

Health Insurance Underwriting

Insurance companies will use the medical information as well as other information obtained on the health benefit plan application to determine your premium rates. Occasionally, insurance companies will need additional information from your physician or another medical provider.

Please note that Kentucky is not a guarantee-issue state with regard to individual health benefit plans. This simply means that insurance companies do not have to write you a policy if you do not meet their underwriting guidelines.

Denial of Health Insurance Coverage

Help may be available if you are turned down for individual coverage or find the policy is approved, but the premiums for the coverage are too high. Kentucky Access is a statewide health plan that offers medical coverage to eligible Kentucky residents who find it difficult to obtain coverage in the individual insurance market or have higher premiums on substantially similar coverage through the regular market. It offers a variety of health benefit plans, including traditional fee-for-service and preferred provider organization (PPO) plans. For more information about Kentucky Access and eligibility requirements visit <http://www.kentuckyaccess.com/index.cfm> or call toll-free 866-405-6145.



Contact the Kentucky Cabinet for Health and Family Services at 800-372-2973 to learn about your eligibility for Medicaid (for low-income and disabled persons), the Kentucky Children's Health Insurance Program (KCHIP), prescription drug assistance programs or other assistance.

For information about Medicare, including the prescription drug program which provides many options, contact the U.S. Department of Health and Human Services at 877-696-6775. In addition, the federal government provides tax credits for certain workers who have lost their jobs because of federal trade agreements or whose retirement/pension program has failed.

If you have additional questions about individual health benefit plans or other issues, you may contact the Kentucky Department of Insurance's Consumer Protection and Education Division through the Web site (doi.ppr.ky.gov) or by phone. The office's toll-free number is 800-595-6053, and the TDD number for the deaf/hard of hearing is 800-648-6056.



Kentucky Public Protection Cabinet
Department of Insurance

Printed with state funds on
recycled paper

P.O. Box 517, Frankfort, KY 40602-0517
Toll free 800-595-6053 Deaf/hard-of-hearing 800-648-6056
<http://doi.ppr.ky.gov/kentucky/>



The Kentucky Department of Insurance does not discriminate on the basis of race, color, religion, sex, national origin, sexual orientation or gender identity, ancestry, age, disability or veteran status. The cabinet provides, on request, reasonable accommodations necessary to afford an individual with a disability an equal opportunity to participate in all services, programs and activities. To request materials in an alternate format, contact the Department of Insurance, Communications Office, P.O. Box 517, Frankfort, KY 40602-0517, toll-free 800-595-6053. Hearing and speech-impaired persons can contact an agency by using the Kentucky Relay Service, a toll-free telecommunication service. For Voice to TDD call 800-648-6057. For TDD to Voice, call 800-648-6056.

June 2008

