

Get Hip to HIPAA

before heading overseas

HTH Worldwide

What you need to know

Navigating your health plan to get the most out of your benefits can be a challenge - the administrative hurdles alone can sometimes be daunting.

But for international travelers there's a little known trapdoor that can open large gaps in healthcare coverage that quickly spiral beyond your control, and could expose world travelers to significant financial risk.

Traveling or residing outside the U.S. for six months or more often means that one of the key benefits of a health insurance plan—coverage of pre-existing conditions—is in jeopardy when you return home. How so? If you're not hip to HIPAA, you wouldn't know - the catch is in the fine print of the Health Insurance Portability and Accountability Act of 1996 (which you can check out at the U.S. Department of Labor website).

Unless you are enrolled in a well-designed international health insurance program, you can be caught up in technicalities that subject you to a 12-month waiting period for a pre-existing condition when you return home and re-enroll in a domestic group health plan. Even if you purchased another plan to fill the gap, HIPAA rules permit the group plan to institute the waiting period. That's bad news if you have developed a serious medical condition in the meantime.

Doesn't sound fair? Well it's all perfectly legal.

The waiting period can be reduced or eliminated if the time you spent in your alternative health plan is viewed as "creditable coverage" and applied as an offset. But that decision is made unilaterally by the health plan.

If you are employed and posted abroad, ask your employer to enroll you in an international plan that provides seamless eligibility no matter how much time you spend abroad. If group coverage is not an option, choosing the right individual plan can help you avoid similar, even larger gaps in coverage.

Most individual international plans on the market are constructed and administered to minimize coverage for pre-existing conditions. They typically feature exclusions or very low benefit limits for conditions that were treated over the past two years. To your peril, they also define pre-existing conditions much more broadly than U.S. plans do, and they don't recognize the group plan you may be leaving as "creditable coverage." Check to see if the individual plan you are considering is filed with U.S. state insurance regulators as an "Admitted" plan (HTH products are).

What is the bottom line?

Ask what happens to your eligibility when you return home. Will your plan continue to offer benefits after your assignment ends? Many plans discontinue benefits after six months at home; others will cover you up to the age of 84. This is a critical issue: you do not want to be uninsurable!

Visit Essential Health Limited
E-Mail expat@essentialhealthltd.com
Call +44 (0) 0870 428 1006