

Understanding Catastrophic Health Insurance



About this
fact sheet

In addition to platinum, gold, silver, and bronze plans, health insurance marketplaces will sell “catastrophic” health plans. Catastrophic plans pay for even less of your health care costs than bronze plans, but they have very low monthly fees (premiums). Only certain people can buy catastrophic plans.

1. How are catastrophic plans different from platinum, gold, silver, and bronze plans?

Catastrophic plans cover the same basic categories of health services as platinum, gold, silver, and bronze plans, but they pay even less for these services than any of those plans. You must pay more of the costs for your health care (for example, a hospital stay).

Catastrophic plans have low monthly fees (premiums). However, before a catastrophic plan begins to pay for many of your health care costs (for example, a hospital stay), it requires you to pay a certain amount of money first, called a “deductible.” Each health plan sets its own deductible amount, but deductibles for catastrophic plans are generally very high. For example, deductibles could be as high as \$6,850 for an individual.

What You Have to Pay for Until You Have Paid the Full Amount of Your Deductible

Until you have paid the full amount of your deductible, catastrophic plans will help pay for three primary care visits (you will probably still have to pay some money out of your own pocket for these visits). If you have more than three visits, you will need to pay the full cost. Many preventive services are also free before you pay your deductible.

MORE INFORMATION



Learn more about the other plans sold in the marketplace.

Fact sheet: “Understanding the Differences between Platinum, Gold, Silver, and Bronze Plans”

If you get any other type of health care services (aside from preventive care), you will have to pay the full cost until you have paid for all of your deductible. After that, the catastrophic plan pays some of the cost.

2. Can anyone buy a catastrophic plan?

Not everyone can buy these plans.

You can buy a catastrophic plan **if you are under age 30** on January 1 of the year you are applying for insurance.

You can also buy a catastrophic plan **if you are not required to have health insurance because you have a financial hardship and you've received a "certificate of exemption"** from the marketplace. A certificate of exemption is proof that you are not required to have health insurance. This certificate allows you to buy a catastrophic plan, but you must apply through the marketplace to get it.

You can apply for a certificate of exemption because of a financial hardship if you have one of these issues:

- Your basic living expenses increase so much that you can't afford health insurance.
- The cost of buying health insurance would be so high that it would force you to go without basic things like housing and food.
- The marketplace decides that you are unable to get insurance because of an extreme life circumstance (for example, homelessness, eviction, foreclosure, or damage from a natural disaster).
- Based on what you think your family income will be in the upcoming year, insurance would cost more than 8.05% of your income.
- Your income in 2015 will be below \$16,242 for one person, \$21,983 for a family of two, \$27,742 for a family of three, or \$33,465 for a family of four, and you will not be able to get Medicaid in your state.
- Your family circumstances—such as a domestic violence situation, the death of a close family member, or the cost of caring for a sick family member—cause financial hardship.

MORE INFORMATION



You can see a full list of free preventive services online at www.healthcare.gov/what-are-my-preventive-care-benefits.

MORE INFORMATION



Learn more about getting an exemption.

Fact sheets: "Understanding the Requirement to Have Health Insurance" and "Types of Exemptions from the Requirement to Have Health Insurance"

If you are thinking about buying a catastrophic plan, remember that you will need to be able to pay for all your health care until you pay off the high deductible. If you know you will need health care, and if you think that it will be hard for you to pay for it up front, a catastrophic plan may not be the best choice for you. For example, if you need to see a doctor regularly, you might end up paying less if you choose a plan that charges you more for monthly premiums but less for your doctor visits than a catastrophic plan would.

3. Can I use financial assistance to help buy a catastrophic plan?

No. You can use financial assistance only for platinum, gold, silver, or bronze plans, not catastrophic plans.

MORE INFORMATION



Learn more about how financial assistance could lower your monthly premiums.

Fact sheet: “Getting Financial Assistance to Pay for Health Insurance”

The complete *What You Need to Know about Health Insurance* series:

Applying for Health Insurance

Answering Questions about Your Family When Applying for Health Insurance

Answering Questions about Your Family's Income When Applying for Health Insurance

Applying for a Marketplace Plan if You Can Get Health Insurance through Your Job

What to Do if You Are Uninsured after February 15, 2015

Getting Financial Assistance

Getting Financial Assistance to Pay for Health Insurance

Deciding How Much Financial Assistance to Use to Lower Your Monthly Premiums

Will I Be Able to Get Financial Help to Pay for Health Insurance?

How Getting Financial Assistance to Pay for Health Insurance Affects Your Taxes

Getting Extra Financial Assistance to Help Pay Health Care Costs

Choosing a Health Plan

Choosing the Health Plan that's Right for You

Choosing a Health Plan You Can Afford

Understanding the Differences between Platinum, Gold, Silver, and Bronze Plans

Understanding Catastrophic Health Insurance

Buying Children's Dental Coverage through the Marketplace

Keeping and Using Health Insurance

How to Use Your Health Insurance

How to Keep Your Marketplace Health Insurance

What to Do after You Buy Health Insurance in the Marketplace

Understanding the Requirement to Have Health Insurance

Understanding the Requirement to Have Health Insurance

Understanding Minimum Essential Coverage

Reference Charts and Graphics

Income Guidelines for Getting and Using Financial Assistance for Health Insurance

Income Guidelines for Getting Extra Financial Assistance to Pay for Health Care Costs

Types of Exemptions from the Requirement to Have Health Insurance

A complete list of Families USA publications is available online at www.FamiliesUSA.org/resources/publications.

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