



American
Heart
Association.



March 27, 2020

Governor Ralph Northam
Office of the Governor
P.O. Box 1475
Richmond, VA 23218

Dear Governor Northam:

Our organizations write to express support for placing common sense limits on short term limited duration (STLD) health plans, and further, to ask you to amend SB 404 and HB 1037 to include clear consumer disclosure language.

Together, our organizations represent thousands of patients and consumers in Virginia who live with serious, acute, and chronic health conditions, including older adults, tradesmen and women, and small business owners. As such, we have a unique perspective on what patients need to prevent disease, cure illness, as well as manage and improve health over the lifetime. Among patients' most critical needs is access to a strong, robust insurance marketplace through which they can purchase comprehensive and affordable coverage.

We are in a public health crisis, and Virginians should not have to worry whether their health insurance will cover their doctor's visit, care for COVID-19, or a serious health issue such as a heart attack or cancer treatment. All Virginians deserve health insurance that is comprehensive and includes patient protections, covers an expansive network of providers and plan features, and provides simple and clear information regarding plan costs and coverage.

A recent study commissioned by The Leukemia & Lymphoma Society to examine the impact of STLD plans on consumers and the insurance market found that these plans commonly impose high deductibles and maximum out of pocket limits that significantly exceed the cost-sharing required by plans sold in the ACA marketplace.¹ For example, the study found that:

- A patient newly diagnosed with lymphoma while covered by a STLD plan could pay \$23,100 to \$45,800 in out-of-pocket expenses (including premiums and cost sharing for medical expenses) during the six months following diagnosis.
- In contrast, a patient who is newly diagnosed with lymphoma while enrolled in an ACA-compliant plan could pay \$6,300, on average, in out-of-pocket expenses over the same time period.
- A newly diagnosed lung cancer patient risks facing out-of-pocket expenses of more than \$100,000 in the six months following diagnosis if the patient is unable to renew the STLD coverage and becomes uninsured.

As these findings demonstrate, the exorbitant out of pocket costs often imposed by STLD plans are alarming. Without disclosure language to help draw attention to the lack of coverage provided by STLD plans, Virginia consumers are at risk.

During the 2020 Legislative Session, the House and Senate made several changes to these bills, allowing for one renewal in a 12-month period and delaying implementation until 2021. As a coalition, we opposed these changes. Yet, an amendment requiring STLD plans to include clear, comprehensive consumer disclosures—which would benefit consumers—was not considered. STLD plans, by design, do not provide comprehensive coverage, and can expose patients to extremely high cost sharing. Consumers must be informed about this fact before they purchase these plans; this is why enshrining clear disclosure language in Virginia statute about the nature of STLD plans is such a critical improvement that must be made to the bill.

We request you amend the Short-Term Limited Duration Plan bills (SB404 and HB1037) to require strong disclosure language. Virginians need clear, transparent information about the STLD plan they are purchasing in order to make an informed decision about their health care coverage. We stand ready to work with you to ensure that consumers in Virginia are protected. If you have any questions regarding this letter, or if we may provide further information, please don't hesitate to contact Sarah Balog with The Leukemia & Lymphoma Society at sarah.balog@lls.org or 678-852-6383.

Sincerely,

American Cancer Society - Cancer Action Network
American Heart Association
American Lung Association
Arthritis Foundation
The Commonwealth Institute
Cystic Fibrosis Foundation
Hemophilia Association of the Capital Area
Leukemia & Lymphoma Society

Multiple Sclerosis Society
National Organization for Rare Disorders
Small Business Majority
Virginia Breast Cancer Foundation
Virginia Diabetes Council
Virginia Hemophilia Foundation
Virginia Society of Rheumatologists

¹ Hansen, Dane and Dieguez, Gabriela. The impact of short-term limited-duration policy expansion on patients and the ACA individual market February 2020. <https://www.lls.org/sites/default/files/National/USA/Pdf/STLD-Impact-Report-Final-Public.pdf>