



**Statement for the Record  
House Committee on Education and Labor  
Health, Education, Labor, and Pensions Subcommittee Markup  
April 8, 2019**

The undersigned 33 organizations, representing millions of American patients, providers, and consumers, write today in strong support of HR 1010, legislation to provide that the rule entitled “Short-Term, Limited Duration Insurance” shall have no force or effect.

Our organizations remain seriously concerned about the Administration’s finalized rule expanding the allowed duration of short-term health insurance plans from three months to 364 days. Originally intended as temporary bridge or gap plans, short-term limited-duration health insurance policies have lower premiums than other plans on the market because they are exempt from many of the key requirements that provide comprehensive coverage and protect consumers from high out-of-pocket costs.

Unfortunately, there is a real possibility that many new plan enrollees – attracted by lower premiums and expanded availability made possible by the finalized rule – will find themselves with woefully

inadequate coverage and greater out of pocket costs. For people with chronic and serious health conditions, the lack of access to necessary treatment options and the high out-of-pocket costs could be devastating.

These plans are not required to comply with protections for people with pre-existing conditions. They are permitted to consider an individual's health status when issuing health insurance coverage, which means an insurer can choose to deny coverage, charge higher premiums, or not cover certain benefits for individuals based on their health history. Insurers offering these plans are also not federally prohibited from rescinding coverage from consumers who encounter health issues after they enroll.

Unlike ACA-compliant plans, short-term plans also do not have to provide coverage for Essential Health Benefits (EHBs). If people with serious and chronic conditions do not have access to services through their health insurance coverage, they are forced to pay out-of-pocket for their treatment, which can often be prohibitively expensive.

Short-term plans can impose lifetime and annual limits on coverage, and they are not subject to limits on the amount of out-of-pocket costs and deductibles they can impose on enrollees for covered in-network services. One analysis of the best-selling short-term plan in Georgia showed these plans had a 3-month out-of-pocket limit of \$10,000, which did not include the deductible of \$10,000, making the effective 3-month out-of-pocket maximum \$20,000.<sup>1</sup> Another analysis found caps on coverage for short-term plans in Phoenix, AZ to be as low as \$250,000.<sup>2</sup> These limits would be devastating for the individuals and families we represent.

Additionally, short-term plans will likely attract younger and healthier individuals, dividing the individual marketplace risk pool. That will result in a spike in premiums for comprehensive plans sold in the marketplace that cover the treatments and services that patients with pre-existing conditions need, again reducing access to affordable coverage for the individuals and families we represent. We urge the Subcommittee to approve this legislation.

Adult Congenital Heart Association  
ALS Association  
American Cancer Society Cancer Action Network  
American Diabetes Association  
American Heart Association  
American Kidney Fund  
American Liver Foundation  
American Lung Association  
Arthritis Foundation  
Chron's & Colitis Foundation  
Chronic Disease Coalition  
COPD Foundation

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<sup>1</sup> Palanker, D, Lucia, K, and Curran, E. New Executive Order: Expanding Access to Short-Term Health Plans Is Bad for Consumers and the Individual Market. *To the Point*, The Commonwealth Fund, October 2017. Available at <https://ccf.georgetown.edu/2017/10/13/new-executive-order-expanding-access-to-short-term-health-plans-is-bad-for-consumers-and-the-individual-market/>.

<sup>2</sup> Pollitz, K. Understanding Short-Term Limited Duration Health Insurance. Kaiser Family Foundation, February 2018. Available at <https://www.kff.org/health-reform/issue-brief/understanding-short-term-limited-duration-health-insurance/>.

Cystic Fibrosis Foundation  
Epilepsy Foundation  
Family Voices  
Global Healthy Living Foundation  
Hemophilia Federation of America  
Immune Deficiency Foundation  
Leukemia & Lymphoma Society  
March of Dimes  
Mended Little Hearts  
Muscular Dystrophy Association  
National Alliance on Mental Illness  
National Coalition for Cancer Survivorship  
National Health Council  
National Hemophilia Foundation  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
National Patient Advocate Foundation  
National Psoriasis Foundation  
Pulmonary Hypertension Association  
Susan G. Komen  
WomenHeart: The National Coalition for Women with Heart Disease