



February 4, 2019

Re. SB 35 – written and oral testimony for the February 6 Senate Committee on Financial Institutions and Insurance hearing

Dear Chairman Olson and Members of the Committee:

The Leukemia & Lymphoma Society (LLS) appreciates the opportunity to comment in opposition to Senate Bill 35, a bill that would weaken consumer protections for short-term, limited-duration plans (also known as short-term plans).

In brief, short-term plans are meant to be a stop-gap option for people who've lost their regular coverage. The premiums for these plans are cheaper compared to full-fledged health plans, but the benefits are so narrow in scope that these plans can trigger severe financial and medical consequences for consumers who wind up with major medical issues. This is particularly a problem given the lack of consumer education about the risks that come with these plans and the inadequacy of state-level regulations, according to a January 2019 report from the Robert Wood Johnson Foundation.¹

In May 2018, LLS and 20 other patient and consumer advocacy organizations submitted joint comments regarding the federal rule changes that bring us to today's discussion. Our groups, representing millions of Americans with pre-existing conditions, expressed concern that deregulating short-term plans would create underinsurance problems for the individuals and families we serve. We also warned that these plans would create adverse-selection issues for insurance pools: by moving healthier people onto substandard plans, the costs of coverage would certainly rise for consumers with pre-existing conditions elsewhere in the private market who would not or could not pursue a short-term plan.² These concerns remain intact today as your committee discusses SB 35.

The overwhelming majority of healthcare groups share our concerns. Out of 340 healthcare groups who commented on the federal short-term rule proposal, more than 98 percent issued critical comments, including every patient, physician, nurse and hospital organization that commented on the proposal.³ Since September, nearly 30 health, consumer, and medical groups – including LLS, AARP, the

¹ https://www.rwjf.org/content/dam/farm/reports/issue_briefs/2019/rwjf451339

² <https://www.regulations.gov/document?D=CMS-2018-0015-8740>

³ <https://www.latimes.com/politics/la-na-pol-trump-insurance-opposition-20180530-story.html>

American Heart Association, and the American Medical Association – have either filed suit or submitted friend-of-the-court statements supporting legal action against the finalized rule.⁴

Kansas consumers deserve health coverage that is not just affordable on the front end, but that delivers a stable, high-quality product they can afford to use when illness strikes. We understand that uninsured and underinsured Kansans need more coverage options, especially in the absence of expanded access to Medicaid. We are eager to support innovative efforts to improve affordability and access, but not if these efforts compromise the ability of blood cancer patients and others to find, receive, and sustain the care they need.

We respectfully urge you to protect consumers with pre-existing conditions by voting “no” on SB 35, and look forward to working with you on constructive options for improving access to care.

Sincerely,



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⁴ <https://www.communityplans.net/seven-health-organizations-file-lawsuit-against-short-term-limited-duration-plan-final-rule/>, <https://www.fightcancer.org/sites/default/files/National%20Documents/2018-10-08%20SLDP%20Amicus%20Brief.pdf>, https://www.acponline.org/acp_policy/testimony/amicus_brief_short_term_insurance_plans_2018.pdf, and https://www.aarp.org/content/dam/aarp/aarp_foundation/litigation/pdf-beg-02-01-2016/ACAP-brief.pdf