

Short-Term Limited Duration Health Plans Are Bad for Cancer Patients



On February 21, 2018, the Administration released a proposed regulation that would expand the availability and length of short-term health plans – the temporary insurance policies that only provide very limited coverage. ACS CAN is concerned with this proposal because short term policies fail to provide the kinds of benefits individuals with cancer most need and can exclude from coverage people with pre-existing conditions like cancer.

Short-term health plans – or bridge plans as they are sometimes called – are individual health insurance policies originally intended as temporary coverage. Under current law, these plans can last for only three months. The plans are exempt from the patient protections consumers are accustomed to in the individual market, including:

<i>Patient Protection in Current Law</i>	<i>Short Term Plan Proposal</i>
Insurance plans may not impose a lifetime or annual limit on coverage .	Short-term plans may impose lifetime and annual caps on coverage.
Plans are required to offer comprehensive coverage .	Short-term plans may exclude entire categories of coverage (including things like prescription drug coverage).
Insurers must limit the annual out-of-pocket maximum that an individual would pay. In 2018, the annual limit is \$7,350 for individual coverage/\$14,700 for family coverage.	Short-term plans are not required to cap patient out-of-pocket spending.
Issuers can't deny coverage or charge more to individuals with pre-existing conditions.	Short-term plans may deny coverage to individuals with pre-existing conditions, choose to not cover services related to those pre-existing conditions, or charge enrollees higher premiums because of their pre-existing conditions.

Because short term policies are exempt from many consumer protections, premiums for these products are often lower than Marketplace plans, and therefore can be more attractive options to younger and healthier individuals who qualify for coverage. As more younger and healthier individuals enroll in these products, it can result in higher premiums for comprehensive coverage in the individual market. This means that people with serious and chronic illnesses – like cancer – will have to pay more for their coverage.

ACS CAN Position

ACS CAN opposes the expanded use of short-term plans and is urging the Administration to not finalize the rule unless it is modified to protect patients.