

United States Senate

WASHINGTON, DC 20510

April 23, 2018

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-9924-P
P.O. Box 8010
Baltimore, MD 21244-8010

Re: CMS-9924-P; Short-Term, Limited-Duration Insurance

Dear Secretary Azar, Secretary Mnuchin, and Secretary Acosta:

As a caucus, we are determined to guarantee access to affordable health care options for Americans with pre-existing conditions. Therefore, we write to express serious concerns with the proposed rule on short-term, limited-duration insurance (CMS-9924-P). If finalized, the rule could increase costs and reduce access to quality coverage for millions of Americans, harm people with pre-existing conditions, and force premium increases on older Americans. This rule expands the sale and marketing of “junk plans” that exclude basic benefits including hospitalization, prescription drugs, mental health services, substance abuse treatment, and maternity care. We urge you not to finalize the proposed rule and instead work with us to ensure that all American families have choices of affordable, meaningful health care coverage.

In this proposed rule, short-term, limited-duration insurance is defined as “a type of health insurance coverage that was designed to fill temporary gaps in coverage that may occur when an individual is transitioning from one plan or coverage to another plan or coverage.” Under current law, these plans are limited to three months. What the rule proposes, however, is to extend the duration of these “short-term” plans to 12 months. Furthermore, the proposal seeks comments on whether the plans should be allowed for longer than 12 months, creating a permanent market for junk plans.

Approximately 133 million Americans under age 65 have a pre-existing condition.¹ In the past, patients with pre-existing conditions faced difficulty getting comprehensive coverage, higher costs, or were barred access from coverage altogether. Current law ensures that no person can be denied coverage or charged more based on his or her health status. This rule reverses those critical consumer protections. These short-term plans force individuals and families to fill out medical questionnaires when applying, which are often used to deny coverage, charge more based on age, gender, or a pre-existing condition, or exclude coverage for the types of care that a person may need most, such as care for diabetes, high blood pressure, pregnancy, and countless other common conditions.

A significant portion of those with pre-existing conditions are older adults age 50 to 64. This proposed rule is likely to remove a number of younger and healthier Americans from the individual marketplaces, thereby imposing what AARP and others have called an “age tax” by

¹ Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Health Insurance Coverage for Americans with Pre-Existing Conditions: The Impact of the Affordable Care Act*, January 2017, available at: <https://aspe.hhs.gov/system/files/pdf/255396/Pre-ExistingConditions.pdf>.

significantly raising premiums for the older Americans and those with pre-existing conditions who must maintain comprehensive health coverage. Individuals buying these junk plans will also be forced to pay more for less care, as these plans will be exempt from existing marketplace rules. On average, the top two insurers who sold four out of every five short-term plans used 50% of premium dollars for company profits and overhead.² Families cannot afford to buy health insurance that fails to cover them when they need it the most.

The patient community has expressed grave concerns about the proliferation of short-term plans – in fact, 113 groups, including AARP, American Heart Association, March of Dimes, and the National Alliance on Mental Illness, recently sent a letter expressing these concerns to Congressional leaders. Beyond that, several insurance companies and the American Academy of Actuaries have written about the adverse impact of these plans on the insurance market and patients.

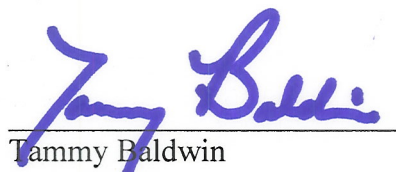
We are committed to making health insurance premiums more affordable for all consumers and expanding the number of options, and we stand ready to work with the Administration and our colleagues in Congress to achieve these goals. Unfortunately, creating a new class of health insurance plans that lack basic patient protections and could lead to higher prices for seniors, those with pre-existing conditions, and any American who wants to purchase a plan with comprehensive benefits does not achieve this goal.

For these reasons, we urge you not to finalize the proposed rule and instead to work with us to make health care more affordable for all families.

Sincerely,



Debbie Stabenow
United States Senator



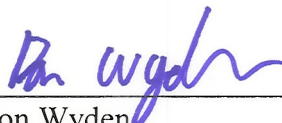
Tammy Baldwin
United States Senator



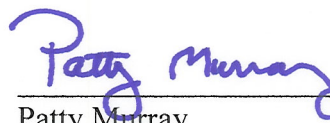
Claire McCaskill
United States Senator



Charles E. Schumer
United States Senator

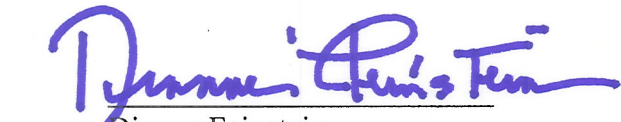


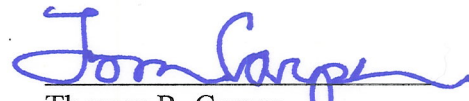
Ron Wyden
United States Senator

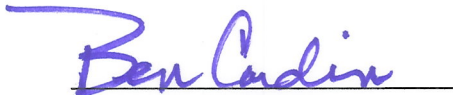


Patty Murray
United States Senator


² Karen Pollitz, Kaiser Family Foundation, *Understanding Short-Term Limited Duration Health Insurance*, February 2018, available at: <https://www.kff.org/report-section/understanding-short-term-limited-duration-health-insurance-issue-brief/>.



Dianne Feinstein
United States Senator



Thomas R. Carper
United States Senator

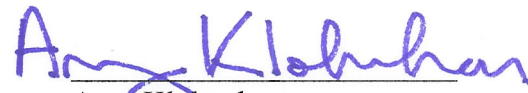

Benjamin L. Cardin
United States Senator

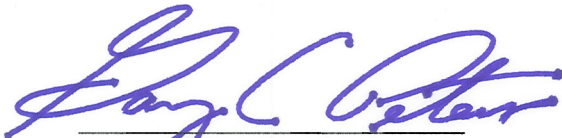

Richard J. Durbin
United States Senator

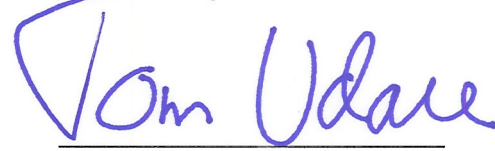

Sherrod Brown
United States Senator



Bill Nelson
United States Senator



Jon Tester
United States Senator



Amy Klobuchar
United States Senator



Gary C. Peters
United States Senator


Tom Udall
United States Senator


Joe Donnelly
United States Senator

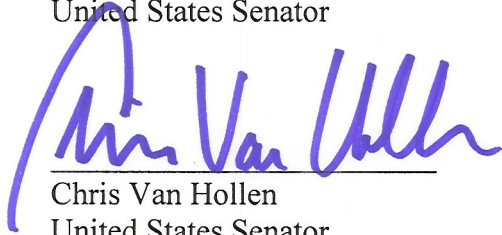

Angus S. King, Jr.
United States Senator


Jeanne Shaheen
United States Senator



Tammy Duckworth
United States Senator



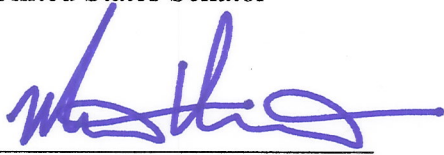
Richard Blumenthal
United States Senator



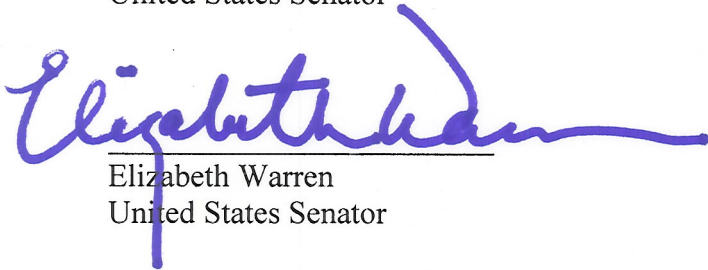
Chris Van Hollen
United States Senator



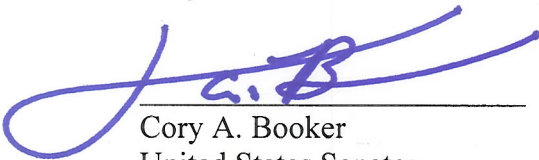
Sheldon Whitehouse
United States Senator



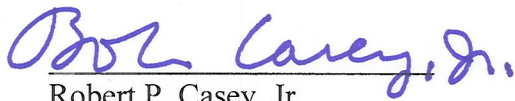
Martin Heinrich
United States Senator



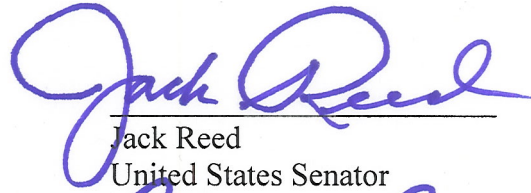
Elizabeth Warren
United States Senator



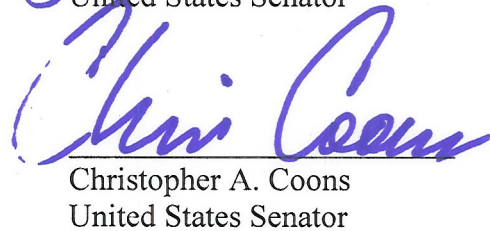
Cory A. Booker
United States Senator



Robert P. Casey, Jr.
United States Senator



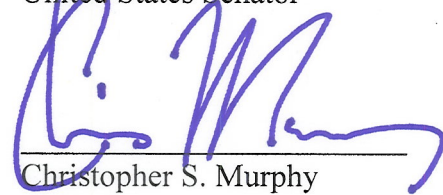
Jack Reed
United States Senator



Christopher A. Coons
United States Senator



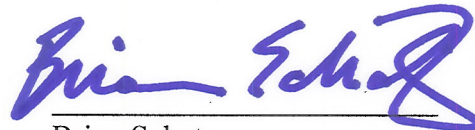
Mazie K. Hirono
United States Senator



Christopher S. Murphy
United States Senator



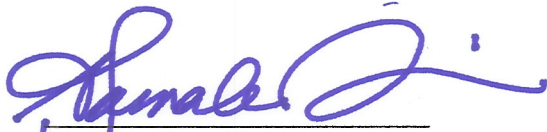
Bernard Sanders
United States Senator




Brian Schatz
United States Senator



Margaret Wood Hassan
United States Senator



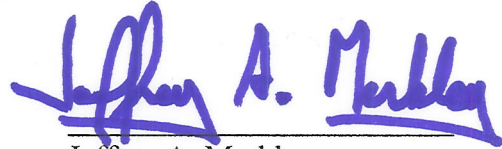
Kamala D. Harris
United States Senator



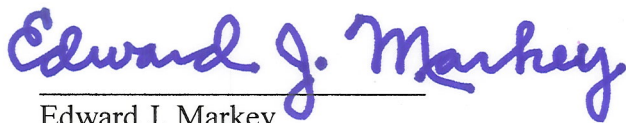
Tim Kaine
United States Senator



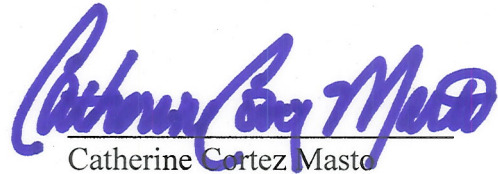
Kirsten Gillibrand
United States Senator



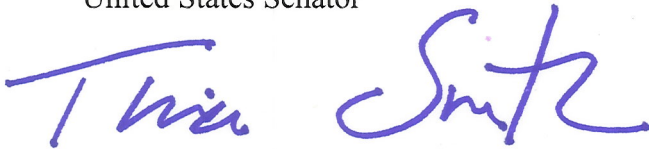
Jeffrey A. Merkley
United States Senator



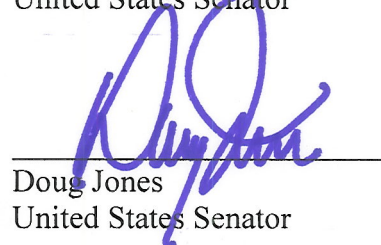
Edward J. Markey
United States Senator



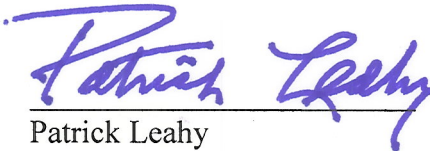
Catherine Cortez Masto
United States Senator



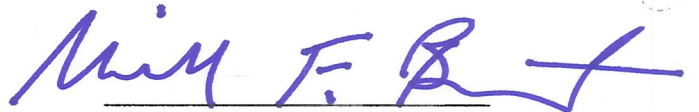
Tina Smith
United States Senator



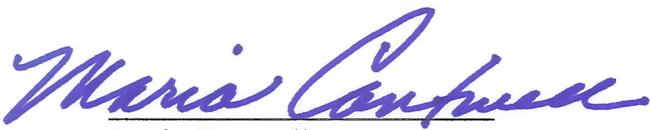
Doug Jones
United States Senator



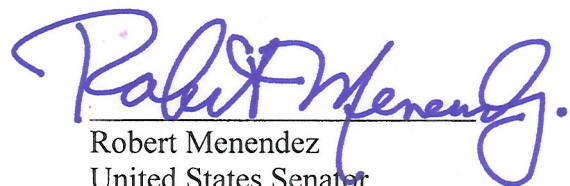
Patrick Leahy
United States Senator



Michael F. Bennet
United States Senator



Maria Cantwell
United States Senator



Robert Menendez
United States Senator



Mark R. Warner
United States Senator