



April 23, 2018

The Honorable Alex Azar
Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Re: Short-Term, Limited-Duration Insurance Plan Proposed Rule

Dear Secretary Azar,

The American Academy of PAs (AAPA), on behalf of the more than 123,000 PAs (physician assistants) throughout the United States, appreciates the opportunity to provide comments on the Short-Term, Limited-Duration Insurance proposed rule. In this proposed rule, the US Department of Health and Human Services (HHS) expresses an intention to expand the availability of short-term health insurance plans from the current three-month duration up to 364 days. While AAPA recognizes that HHS' expansion of these short-term insurance plans is an effort to increase consumer choice and reduce the cost of plans, we are concerned about the effects of making health insurance plans that lack significant consumer protections more widely available – especially for individuals with serious and chronic medical conditions. We are concerned the proposed regulations will resurrect the ability of health plans to employ many of the discriminatory coverage practices that were the impetus behind passage of the Affordable Care Act (ACA).

AAPA is a nonpartisan membership organization that represents members with diverse views on the role of government in healthcare. AAPA official policy “supports a healthcare system that will provide basic services to all patients.” As medical providers, we support preserving the requirement that health insurance covers essential health benefits such as maternity care, emergency services, prescription drugs, substance abuse, and mental health treatment. And we must raise serious concerns with any proposals that would remove protections ensuring health insurance covers essential health benefits. Additional AAPA policy states patients should “have access to a variety of health services, and should be satisfied with the type and quality of care offered by providers and the healthcare system without restrictions due to pre-existing and other arbitrary condition-based exclusions.” Unfortunately, the expansion of short-term insurance plans, as put forth in this proposed rule, is not consistent with those patient-centric policies.

Short-term insurance plans were developed to bridge brief life transitions, such as a job change or a student who takes a semester off from school. Due to this limited purpose, such plans were exempt

from many of the consumer protections established by the Affordable Care Act, such as guaranteed issue, the essential health benefits, and prohibitions on annual and lifetime caps on benefits. Accordingly, when these plans are expanded, administrators of short-term insurance plans would be permitted to turn away prospective enrollees with pre-existing conditions, cap the amount of coverage offered, and exclude coverage of prescriptions, preventive care, maternity care, mental healthcare or other medically necessary services. In addition, insurers would be permitted to charge higher premiums to enrollees with pre-existing medical conditions that they choose to accept, as well as require higher out-of-pocket costs for those enrolled in short-term plans. While the premium payments for any expanded short-term insurance plans may be cheaper, this lower price would come at the cost of discriminatory and prohibitive coverage practices that cause these plans to be deficient in the range of coverage individuals would receive as compared to plans with “major medical coverage.”

Despite assurances that short-term insurance plans would be required to indicate the coverage they offer falls below the standard of “major medical coverage,” AAPA remains concerned many consumers will select such plans for the lower price tag with an incomplete and inadequate understanding that the selection may render them more vulnerable to limited care options and extremely high out-of-pocket costs. Health literacy, due to the confusing nature of health insurance policy language and coverage requirements, is typically low. The proposed rule itself confirms such possible negative impacts, noting the expansion may hurt some people, reducing access to services and even increasing out-of-pocket costs. AAPA is concerned this will reverse recent positive trends regarding reductions in medical bankruptcies and exacerbate levels of uncompensated care that are absorbed and paid for by the health system at large. In order to avoid detrimental financial impacts, patients may choose to instead forgo necessary medical care, tests or medications until medical issues are more serious and more expensive to treat. PAs, as medical providers, are concerned this will both hurt the health status of patients and work against attempts to deliver cost-effective and preventive healthcare services.

AAPA is very concerned about the potential impact of expanding short-term insurance plans on the larger private insurance market, particularly those plans in the Health Insurance Exchanges. If healthy and younger individuals begin to gravitate to short-term insurance plans and away from the larger private insurance market, as millions are projected to do¹, then prices will rise in the private market plans that are compliant with the Affordable Care Act consumer protections. Such plans would increasingly resemble high-risk pools. If this scenario were to occur, insurers will be less likely to participate in these “higher risk” plans jeopardizing the economic stability of the entire insurance market that is serving a sicker, more care-dependent patient population.

The fact is short-term, limited-duration insurance plans were designed to be a temporary, stop-gap measure for individuals in unique circumstances. Such plans were not meant to be a permanent health insurance coverage option. While AAPA agrees with HHS that insurance options should be affordable,

¹ https://www.urban.org/sites/default/files/stdlib_draft_0226_original_0.pdf

we request the agency balance that objective with the equally important goal of ensuring health insurance plans fully meet the needs of consumers. Consequently, AAPA requests HHS not proceed with its proposal to expand short-term insurance plans.

Thank you for the opportunity to provide feedback on the Short-Term, Limited-Duration Insurance Plan Proposed Rule. AAPA welcomes further discussion with CMS regarding our position and comments. For any questions you may have in regard to our comments and recommendations, please do not hesitate to contact Michael Powe, AAPA Vice President of Reimbursement & Professional Advocacy, at 571-319-4345 or michael@aapa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Gail Curtis".

L. Gail Curtis, MPAS, PA-C, DFAAPA
President and Chair of the Board