

Report:

# U.S. Adults Widely Agree It's Time to Protect Consumers from Short-Term, Limited-Duration Health Plans



**N**ew research<sup>1</sup> by PerryUndem and Bellwether Research for The Leukemia & Lymphoma Society (LLS) shows most adults feel negatively about short-term, limited-duration health plans and want them to follow the same rules as traditional health insurance.

So far, 12 states have significantly regulated short-term plans - either banning them outright or passing regulations that make these plans unappealing for insurers who would hope to market them. Other states have some regulation in place, allowing plans to be sold under limited circumstances. But in much of the country, these types of health plans are proliferating.<sup>2</sup>

The following are the detailed findings from this national online survey of 1,130 adults conducted October 16-29, 2021.



<sup>2</sup> Hansen, D., & Dieguez, G. (2020, February). The impact of short-term limited-duration policy expansion on patients and the ACA individual market: An analysis of the STLD policy expansion and other regulatory actions on patient spending, premiums, and enrollment in the ACA individual market. Milliman Actuarial. <https://www.lls.org/sites/default/files/National/USA/Pdf/STLD-Impact-Report-Final-Public.pdf>

# FINDINGS

**Most people are concerned about health care affordability. These worries might be contributing to the market growth of short-term, limited-duration plans.**

Three in four adults (75%) feel health insurance is unaffordable for most Americans, including 1 in 3 (32%) who feel it is “very unaffordable.” Nearly 6 in 10 (56%) say that in the last year, they worried about being able to access and pay for health services their families would need. People with chronic conditions or health concerns, as well as more frequent health service users, are most worried about being able to pay for care.

**They find health insurance confusing and frustrating.**

Most people (73%) think that it is too difficult to understand what a health care plan actually costs and what it covers, even if they do research before buying. This is true across the political spectrum, with majorities of Democrats (77%), Independents (76%), and Republicans (65%) agreeing coverage is too difficult to understand. And, 9 in 10 (92%) feel people “can get duped into buying poor-quality coverage” despite asking the right questions beforehand. Because health insurance is difficult for many people to understand – including even the most knowledgeable consumers – the limitations of short-term plans are not always readily apparent. Even those who have experience shopping for health insurance feel similarly. Half of adults in the survey have shopped for health insurance in the past – and they found the process frustrating (84%), confusing (82%), overwhelming (81%), and difficult to understand (80%).

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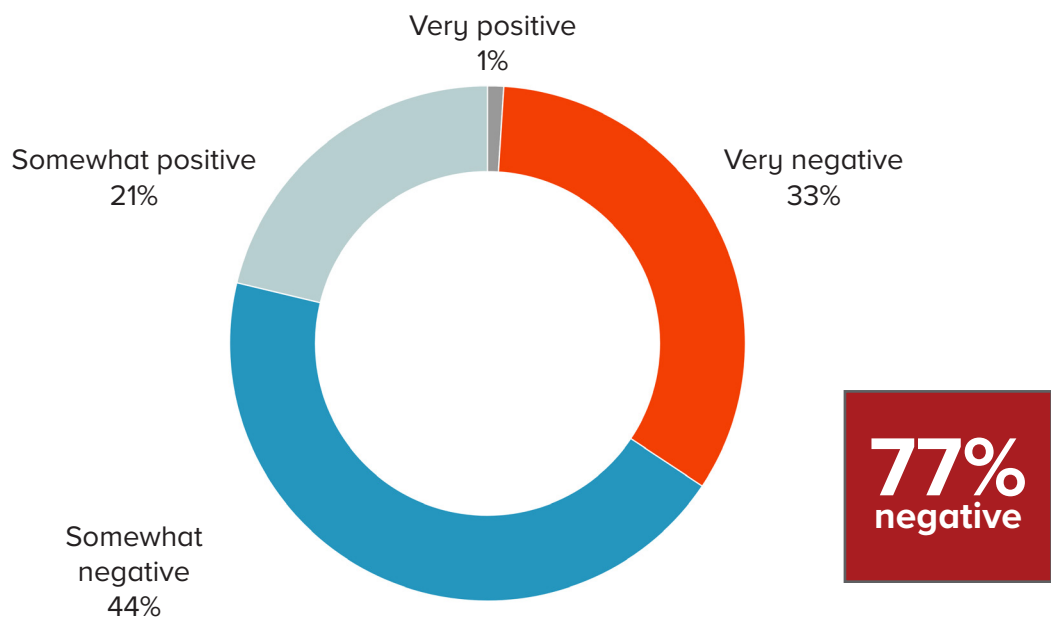


**Few people have heard of short-term, limited-duration health plans, but after reading a description, they react negatively.**

Only 11% of adults say they are familiar with short-term, limited-duration plans. After reading a brief, straightforward description (below) of short-term, limited-duration health plans, a majority of adults (77%) say they have a negative impression of them – including 1 in 3 (33%) who say they feel “very negatively.” As one focus group participant said: “I’m glad I don’t have to grasp for something like that, it feels very pyramid-y.”

*For years, most health insurance plans have been required to follow rules designed to protect people. One exception is something called “short-term” or “limited-duration” health insurance plans. These health plans tend to look more affordable or have no deductibles. They are advertised as good health coverage that covers a lot of health benefits at a much lower cost than traditional insurance. But importantly, they don’t have to follow the same rules as other health insurance. These plans often have limits on what they cover, and generally cover much less than typical health insurance. It’s often difficult or impossible for people to tell. Often, these plans are marketed as alternatives to those found on Healthcare.gov or your state marketplace. The sites that sell them can even seem official or government sponsored (but they aren’t). These kinds of cheaper plans can be offered online, over the phone, through insurance agents, or through associations you have to join or groups like the Farm Bureau.*

**Figure 2. Question: Now what is your impression of these limited-duration or short-term health plans?**  
**(N=1,130)**



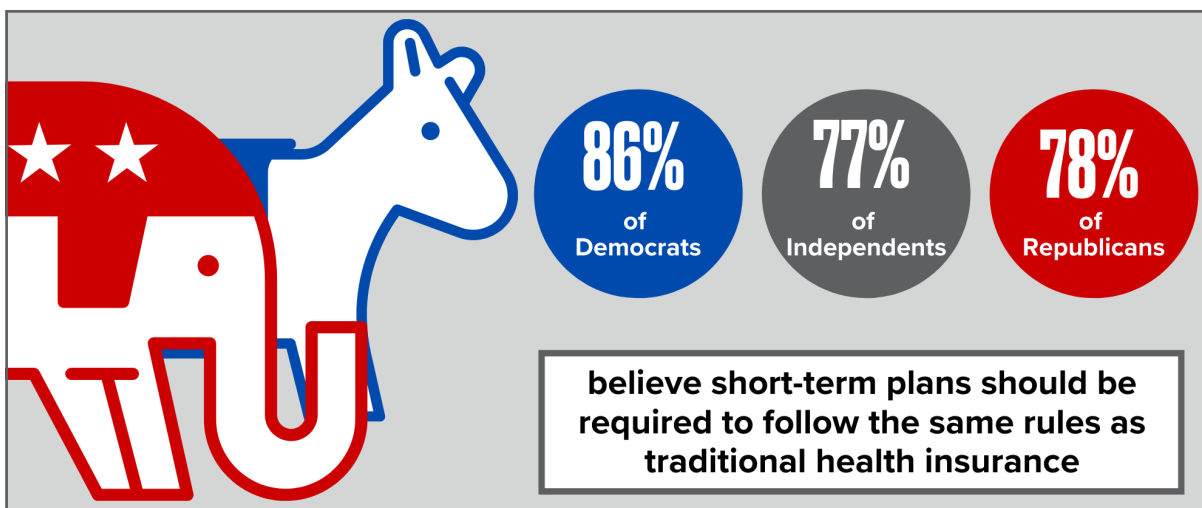
After reading this description, a majority of adults (79%) say these plans should be required to follow the same rules as traditional insurance. And after learning more, 7 in 10 (70%) feel government is the only one with the power to protect consumers from these plans. Almost 8 in 10 (79%) support the government preventing the sale of these plans.

When asked about potential aspects of these plans, adults are concerned that they are different in many ways from traditional health insurance. This includes the use of deceptive marketing practices to promote these plans (94% concerned), the lack of patients' rights to appeal plans' decisions (93%), plans' ability to deny coverage to someone with a pre-existing condition (92%), the lack of limits on out-of-pocket costs (92%), and the lack of coverage of general medical procedures like fixing a broken arm (92%).

One focus group participant spoke to the concerns around these plans: "I think the marketing is the meat and potatoes of these plans. If I'm looking at a plan, that worries me the most – is it really going to cover what it says? The big bold stuff is what sells it, and most people can't decipher the fine print."

### **There is bipartisan support for regulating these plans.**

Adults across the political spectrum are concerned about these plans and the dangers to consumers. Even before fully learning about these plans, three in four feel negatively about these types of plans (79% of Democrats, 76% of Independents, and 74% of Republicans). And, most think they should be required to follow the same rules as traditional health insurance (86% of Democrats, 77% of Independents, and 78% of Republicans).



### **Those with chronic conditions or health concerns are especially worried about short-term, limited-duration health plans.**

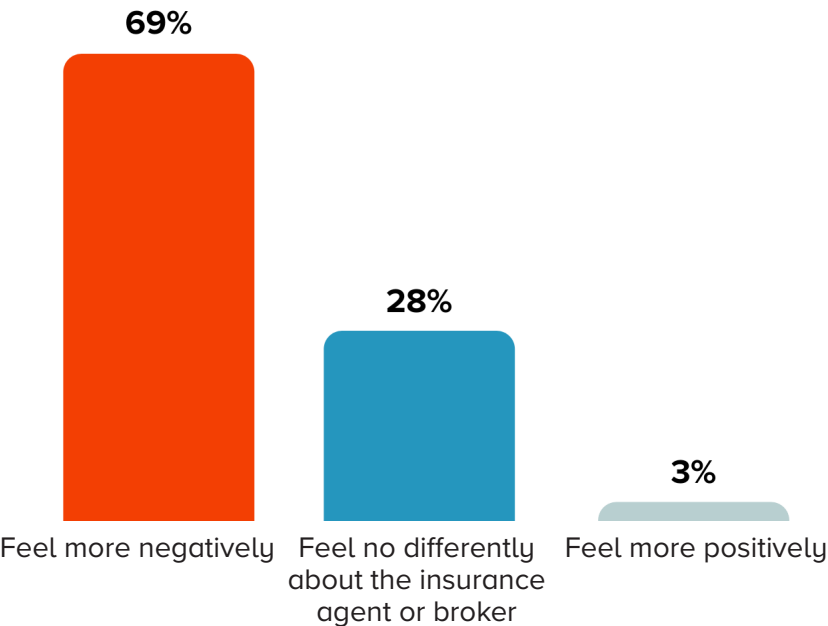
Adults with chronic conditions and health concerns are particularly concerned that if someone enrolled in a short-term, limited-duration plan has a claim rejected, they have no right to appeal it (96% concerned). They also worry that these plans can deny coverage to someone with a pre-existing condition (94%).

**Most people feel insurance agents and brokers should protect customers from these plans.**

Most adults (82%) say that insurance agents/brokers are responsible for the quality of health plans they sell. Additionally, 88% feel agents/brokers have an obligation to warn customers about potentially bad health insurance plans. They look to agents/brokers for help navigating health insurance and will likely hold their broker/agent accountable if they are unhappy.

Specifically, 88% say they would feel more negatively about their agent/broker if they sold them a plan that left them facing higher than expected medical bills. Importantly, 7 in 10 (69%) say they would feel more negatively about their agent/broker if they sold them a short-term, limited-duration plan. The findings suggest these types of professionals could face reputational harm if consumers are dissatisfied with the limited coverage they receive from these plans.

**Figure 3. Question: If an insurance agent or broker regularly sold these plans, would you... (N=1,130)**



**Brand recognition of carriers is important to consumers when shopping for plans.**

Nine in ten adults (90%) say it is important that they recognize the name of the insurance company before buying a health plan, including 51% who say it is “very important.” Right now, some big insurance companies are selling short-term, limited-duration plans or licensing their branded networks to companies selling such plans. Consumers could be upset with these companies if they end up purchasing a plan that leaves them with limited coverage and high medical bills.

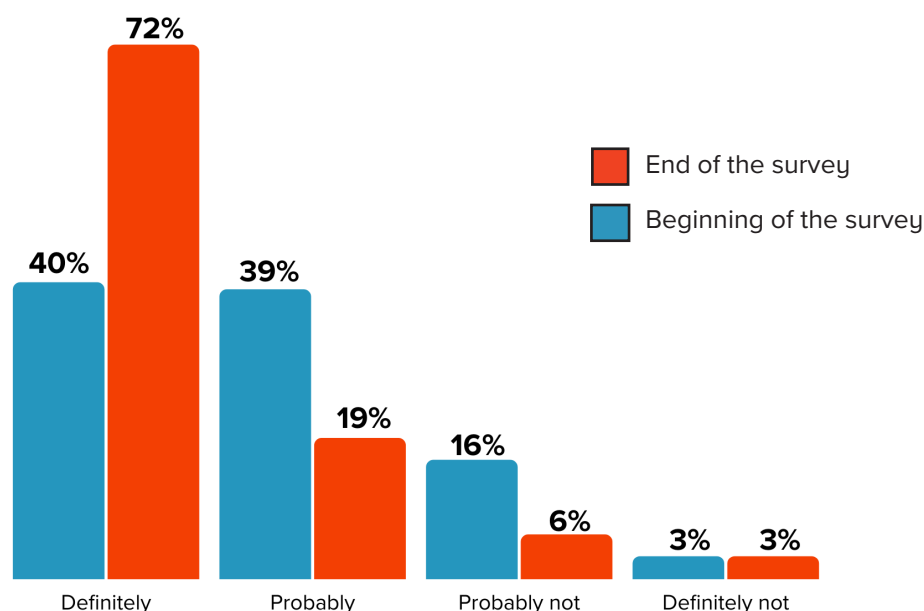


## As people learn about short-term, limited-duration plans, they become more intense in their support for regulating these plans.

By the end of the survey, more than 9 in 10 survey respondents believe that every insurance plan should be required to follow the same rules and standards. Again, this is true across party affiliation, with 93% of Democrats, 89% of Independents, and 94% of Republicans agreeing.

Additionally, the number of adults who “definitely” support regulating these plans moves from 40% to 72% (a shift in intensity of 32 points) – with 91% expressing support for regulation. This suggests that as people learn more about the plans, they are inclined to see them as an increasingly bad deal and a danger to consumers.

**Figure 4. Question: Now, after learning more, do you think that limited-duration or short-term plans should be required to follow the same rules as traditional health insurance? (N=1,130)**



Regression analysis shows that four key facts about these plans are the most important drivers of adults shifting in favor of regulating these plans. These four factors are:

- 1 There are no limits on out-of-pocket costs**
- 2 Someone can be charged more for pre-existing conditions**
- 3 There are no rights to appeal claims that are denied; and**
- 4 It is harder to fight unfair bills**

# CONCLUSIONS

The survey shows that most people feel health insurance is unaffordable right now and the process of shopping for a plan is confusing and difficult to navigate. It makes them skeptical of health insurance in general.

But, when they learn about short-term, limited-duration plans, they immediately see them as risky and potentially dangerous. Even with limited information, they feel these kinds of plans are a bad deal and could leave consumers with higher-than-expected medical bills and limited recourse to fight them.

Most are very concerned about all aspects of these plans: that patients enrolled in them may face no limits on out-of-pocket costs, that the plans are able to exclude those with pre-existing conditions, that patients have no rights to appeal denied claims or fight unfair bills, and that many of these plans utilize deceptive marketing practices.

For these reasons, they want these plans to follow the same rules as traditional health insurance, and they think the government should step in to protect consumers. And, importantly, there is bipartisan consensus on these views throughout the survey.

For more information, please contact Lucy Culp, Executive Director of State Government Affairs at The Leukemia & Lymphoma Society, at [lucy.culp@lls.org](mailto:lucy.culp@lls.org). Learn more about The Leukemia & Lymphoma Society's research on junk insurance at [lls.org/junkinsurance](https://lls.org/junkinsurance).

## ABOUT LLS, PERRYUNDEM AND BELLWETHER RESEARCH

The Leukemia & Lymphoma Society® (LLS) is a global leader in the fight against cancer. The LLS mission: Cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families. LLS funds lifesaving blood cancer research around the world, provides free information and support services, and is the voice for all blood cancer patients seeking access to quality, affordable, coordinated care.

PerryUndem is a non-partisan firm that conducts quantitative and qualitative research focused on public policy issues. The firm has extensive experience conducting studies for national foundations and organizations on health care coverage, health policy, and issues that impact those with chronic conditions/illnesses.

Christine Matthews from Bellwether Research is a leading public opinion pollster and advisor. She has conducted extensive research on a local, state, and national level for foundations and organizations on public policy issues like health, energy, women in the workforce and education.



