

SHORT TERM PLANS WILL INCREASE PREMIUMS & DECREASE OPTIONS FOR PEOPLE WITH PRE-EXISTING CONDITIONS

A new federal proposal would promote health plans that lack patient protections and will increase costs for many cancer patients. The **Fair Care Act** (S. 2494) would hold these plans to a higher standard and protect patients with pre-existing

Cancer patients benefit from federal patient protections that prevent health insurers from discriminating against individuals with a pre-existing health condition, limit patient cost-sharing, and guarantee health plans will cover essential medical care. Unfortunately, the Department of Health & Human Services (HHS) has proposed a new regulation that would promote short term health plans, which lack any of these vital patient protections. The HHS proposal would allow these bare-bones plans to compete with health plans that protect people with pre-existing conditions, which will make coverage either unavailable or unaffordable for many cancer patients.

Short term plans discriminate against people with cancer and other pre-existing conditions

Short term plans are exempt from most federal patient protections. As a result, these plans can refuse to allow cancer patients to purchase coverage. Meanwhile, patients who receive a cancer diagnosis while on a short term plan can face insurance coverage denials for all cancer-related care, deductibles as high as \$10,000, and endless cost-sharing after they meet their deductible. This combination of extraordinary financial risk and the lack of basic patient and consumer protections lead those who sell these plans to acknowledge that such plans are designed solely to provide temporary insurance during unexpected coverage gaps.

Promoting short term plans will increase premiums and reduce options for cancer patients

Even those consumers who choose to remain in traditional health plans that meet patient protection standards would see their premiums go up and their insurance options go down if HHS finalizes its proposal. In fact, the Urban Institute projects that the HHS proposal would increase premiums for those consumers who remain in the nongroup insurance market by over 18%. These increases in premiums would also likely be accompanied by an exodus of insurers from the marketplaces as their risk pools become older and sicker.

Competition on a level playing field protects patients

No one in Congress wants to see higher premiums and fewer options for people with pre-existing conditions. Yet, higher premiums and fewer options will be the reality unless Congress steps in to make targeted reforms to the rules that govern short term plans. The **Fair Care Act** (S. 2494) would extend important patient protections to enrollees in short term plans and would codify federal rules to ensure short term plans are not sold as an alternative to full-year health insurance plans. LLS urges every Senator to cosponsor the Fair Care Act.