

TALKING POINTS: Why We Need Short-Term Health Insurance Option?

- Rising cost of ACA plans for those over 400% of poverty level and those below 100% (SD did not do Medicaid expansion)
- College students who are not on their parent's plan need more affordable options
- Coverage GAPS for those who left job and cannot afford COBRA or missed sign up period
- Coverage for those who missed Open Enrollment
- Coverage for those who do not have a "special enrollment event" and must wait until the next open enrollment period. This wait may be longer than 90 day period currently allowed for short-term policies.
- Current coverage terminates at end of 90 days with no renewal option. New policy will be require new underwriting (excluding pre-existing conditions) and deductible. People need longer periods of coverage.
- Short-term medical plan premiums have not been increasing as fast as ACA plans as pre-existing conditions are not covered making short-term plans more affordable.
- Short-term plans go into effect the next day and not the first of the following month like ACA plans.
- Most short-term medical plans are not network based and give greater choice of provider and insured can see. This is particularly necessary in rural areas and counties with only one or no ACA option.
- People should have options. Many cannot afford the current ACA premiums and are willing to take less coverage for more affordable premiums.
- Some coverage is better than nothing. No coverage could affect our social programs such as Medicaid.
- Individual penalty disappears in 2019 which will result in families and young, healthy individuals requesting us for more affordable options.

In summary, it is understood that everyone needs to be in the ACA pools to help with premiums; however, to get the cost of healthcare under control and premiums stabilized, we need options such as short-term medical and limited duration policies. The alternative is to go without coverage. People could lose their life savings if something catastrophic occurred and they have no health insurance to help with costs.

Currently, CMS is taking comments on proposed changes to the short-term medical market as well as limited duration plans. Here is the link to post your comments before April 23rd: <https://www.regulations.gov/comment?D=CMS-2018-0015-0002>

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