April \_\_\_, 2018

The Honorable Seema Verma

Administrator

Centers for Medicare & Medicaid Services,

Department of Health and Human Services,

Room 445-G, Hubert H. Humphrey Building

200 Independence Avenue, SW.,

Washington, DC 20201Attention: CMS-9924-P,

P.O. Box 8010,

7500 Security Boulevard,

Baltimore, MD 21244-8010

RE: Proposed Rule, Short-Term, Limited-Duration Insurance

CMS-9924-P

Dear Administrator Verma:

The [insert organization name] appreciates the opportunity to respond to the Proposed Rule entitled “Short-Term, Limited-Duration Insurances” promulgated by the Internal Revenue Service (IRS), the Department of Labor, Employee Benefits Security Administration (EBSA), and the Centers for Medicare & Medicaid Services’ (CMS) (the Proposed Rule).

[brief introduction to organization purpose and the patients it serves]

We write to oppose the policy contained in the Proposed Rule. We have strongly urged this Administration to prioritize its efforts on healthcare affordability and access so that people who truly need medical care to treat [insert condition], can continue to receive it. The Affordable Care Act, while not perfect, has offered a lifeline to individuals with chronic diseases and disabilities and their families. The Proposed Rule offers no counterbalance to the recognized risks it imposes on marketplace stability, and no meaningful alternative for individuals relying on ACA plan coverage.

The Proposed Rule’s only mention of individuals with costly medical conditions was to acknowledge that short-term plan enrollees who develop a chronic condition would switch to marketplace coverage. This underscores our belief that individuals with chronic diseases and disabilities [or insert organization-specific condition(s)] will be disproportionately impacted by this proposed policy because:

* Short-term health coverage is not a realistic option for people with serious medical conditions; and
* The anticipated syphoning of younger, healthier individuals from the ACA risk pools will increase plan premiums and decrease the number of plans participating in the marketplace.

***Short-term health coverage is not a realistic option for people with serious medical conditions.***

The Proposed Rule makes multiple mentions of the fact that short-term health insurance offers lower premiums for reduced benefits and patient protections that will likely attract younger, healthier individuals. It is unlikely that individuals with chronic diseases and disabilities would be able to meet medical underwriting standards to obtain this type of coverage and, if coverage is available, it would be associated with a high premium. These plans have additional shortcomings that make enrollment of little value to individuals with costly medical conditions, including:

* Short-term insurance plans generally exclude coverage for preexisting medical conditions;
* These plans do not have to cover essential health benefits, and most do not even offer coverage for prescription medications.
* Issuers would be allowed to rescind or decline coverage;
* Deductibles and cost-sharing obligations are often far more onerous than those contained in ACA plans;
* Lifetime and annual caps can be applied to limit coverage; and

We are also concerned that insurance issuers and brokers will favor these plans over marketplace coverage because brokers can receive higher commissions and issuers can achieve profits that are not allowed under the ACA’s requirement that plan medical loss ratios be at least 80% of premium revenue.

***The anticipated syphoning of younger, healthier individuals from the ACA risk pools will increase plan premiums and decrease the number of plans participating in the marketplace.***

The insurance industry is built, and sustains itself, based upon the ability to identify, quantify, and account for risk. Over the past year, a series of threats and uncertainties were injected into the ACA marketplace, including repeal of the individual mandate, the President’s Executive Orders discouraging agencies from supporting ACA marketplace stability or encouraging actions reducing stability, uncertainty over whether the Administration would fund cost sharing reductions, and legislative repeal and replace initiatives. These factors have triggered premium increases and issuer market exits. Many Americans are left with few choices and a fear that the next blow to the ACA marketplace will reduce their coverage options to zero.

The Proposed Rule acknowledges that lower-premium short-term plans are designed to draw younger and healthier individuals away from the individual marketplace and that they will likely do so. It further acknowledges that older, less health individuals will not have these “affordable” options and will remain in more comprehensive plans with escalating premiums, while simultaneously recognizing that a growing proportion of the nation’s enrollees have just one available plan.

We believe that intentionally taking action that will further reduce stability of the only health insurance available to many individuals with chronic diseases and disabilities is unconscionable and inconsistent with the Administration’s obligations to implement and maintain a stable marketplace. We urge you not to finalize the Proposed Rule because its disproportionate impact on individuals with chronic diseases and disabilities far outweighs any benefit younger, healthier individuals will obtain through low premiums.

**Conclusion**

Once again, [insert organization name] appreciates the opportunity to submit comments on the Proposed Rule. Please do not hesitate to contact [insert contact name, title, phone #] if you or your staff would like to discuss these issues in greater detail.