

U.S. Dept. of Health & Human Services: Trump Administration works to give relief to Americans facing high premiums, fewer choices

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Contact: HHS Press Office
[202-690-6343](tel:202-690-6343)
media@hhs.gov

Proposed rule to allow short-term, limited-duration insurance for longer periods providing increased choice at a lower cost

In direct response to President Trump's October 2017 Executive Order, the Departments of Health and Human Services (HHS), Labor, and the Treasury (the Departments) issued a proposed rule today that is intended to increase competition, choice, and access to lower-cost healthcare options for Americans. The rule proposes to expand the availability of short-term, limited-duration health insurance by allowing consumers to buy plans providing coverage for any period of less than 12 months, rather than the current maximum period of less than three months. The proposed rule, if finalized, will provide additional options to Americans who cannot afford to pay the costs of soaring healthcare premiums or do not have access to healthcare choices that meet their needs under current law.

"Americans need more choices in health insurance so they can find coverage that meets their needs," said Health and Human Services Secretary Alex Azar. "The status quo is failing too many Americans who face skyrocketing costs and fewer and fewer choices. The Trump Administration is taking action so individuals and families have access to quality, affordable healthcare that works for them."

Short-term, limited-duration insurance, which is not required to comply with federal requirements for individual health insurance coverage, is designed to provide temporary coverage for individuals transitioning between healthcare policies, such as an individual in between jobs, or a student taking a semester off from school. Access to these plans has become increasingly important as premiums have more than [doubled](#) between 2013 and 2017 in health plans on the Federal Health Insurance Exchange. And half of the counties in America have only one insurance carrier to choose from.

“Americans who find themselves between jobs or simply can’t afford coverage because prices are too high will be helped by President Trump’s Healthcare for All Executive Order,” said Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma. “In a market that is experiencing double-digit rate increases, allowing short-term, limited-duration insurance to cover longer periods gives Americans options and could be the difference between someone getting coverage or going without coverage at all.”

This announcement builds on the President’s October 2017 Executive Order 13813, “Promoting Healthcare Choice and Competition Across the United States,” which directs the Departments to consider proposing regulations or revising guidance to expand the availability of short-term, limited-duration insurance and allow it to cover longer periods. The Departments published a final rule in 2016, which restricted short-term, limited-duration insurance to less than three months. Key stakeholders, including state regulators, have expressed concerns that the current limit could cause harm to some consumers, limit consumer options, and have little positive impact on the risk pools in the long run. Today’s proposed rule would address these concerns by reverting to the previous definition of short-term, limited-duration insurance which permits coverage for nearly a full 12 months.