

U.S. Sen. Baldwin: Joins U.S. Sens. Stabenow, McCaskill to lead 47 others in calling on Trump administration to halt expansion of junk health insurance plans

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WASHINGTON, D.C. – U.S. Senators Tammy Baldwin (D-WI), Claire McCaskill (D-MO) and Debbie Stabenow (D-MI) today led a [letter](#) signed by 47 Senators calling on the Trump Administration to halt a proposed regulation that would expand the use of short-term health care plans to create junk health insurance plans that would raise premiums for older Americans and harm millions of people living with pre-existing conditions. The Senators expressed their opposition to the proposed rule to expand junk plans, CMS-9924-P, ahead of the deadline for public comment on April 23, 2018.

“If finalized, the rule could increase costs and reduce access to quality coverage for millions of Americans, harm people with pre-existing conditions, and force premium increases on older Americans,” **the Senators wrote.** “This rule expands the sale and marketing of “junk plans” that exclude basic benefits including hospitalization, prescription drugs, mental health services, substance abuse treatment, and maternity care. We urge you not to finalize the proposed rule and instead work with us to ensure that all American families have choices of affordable, meaningful health care coverage.”

“We are committed to making health insurance premiums more affordable for all

consumers and expanding the number of options, and we stand ready to work with the Administration and our colleagues in Congress to achieve these goals,” **the Senators continued.** “Unfortunately, creating a new class of health insurance plans that lack basic patient protections and could lead to higher prices for seniors, those with pre-existing conditions, and any American who wants to purchase a plan with comprehensive benefits does not achieve this goal.”

U.S. Senators Michael Bennet (D-CO), Richard Blumenthal (D-CT), Cory Booker (D-NJ), Sherrod Brown (D-OH), Maria Cantwell (D-WA), Ben Cardin (D-MD), Tom Carper (D-DE), Bob Casey (D-PA), Chris Coons (D-DE), Catherine Cortez Masto (D-NV), Joe Donnelly (D-IN), Tammy Duckworth (D-IL), Dick Durbin (D-IL), Dianne Feinstein (D-CA), Kirsten Gillibrand (D-NY), Kamala Harris (D-CA), Maggie Hassan (D-NH), Martin Heinrich (D-NM), Mazie Hirono (D-HI), Doug Jones (D-AL), Tim Kaine (D-VA), Angus King (I-ME), Amy Klobuchar (D-MN), Pat Leahy (D-VT), Ed Markey (D-MA), Robert Menendez (D-NJ), Jeff Merkley (D-OR), Chris Murphy (D-CT), Patty Murray (D-WA), Bill Nelson (D-FL), Gary Peters (D-MI), Jack Reed (D-RI), Bernie Sanders (I-VT), Brian Schatz (D-HI), Chuck Schumer (D-NY), Jeanne Shaheen (D-NH), Tina Smith (D-MN), Jon Tester (D-MT), Tom Udall (D-NM), Chris Van Hollen (D-MD), Mark Warner (D-VA), Elizabeth Warren (D-MA), Sheldon Whitehouse (D-RI), and Ron Wyden (D-OR) also signed the letter.

The full text of the letter may be found below and [here](#).

April 23, 2018

Dear Secretary Azar, Secretary Mnuchin, and Secretary Acosta:

As a caucus, we are determined to guarantee access to affordable health care options for Americans with pre-existing conditions. Therefore, we write to express serious concerns with the proposed rule on short-term, limited-duration insurance (CMS-9924-P). If finalized, the rule could increase costs and reduce access to quality coverage for millions of Americans, harm people with pre-existing conditions, and force premium increases on older Americans. This rule expands the sale and marketing of “junk plans” that exclude basic benefits including hospitalization, prescription drugs, mental health services, substance abuse treatment, and maternity care. We urge you not to finalize the proposed rule and instead work with us to ensure that all American families have choices of affordable, meaningful health care coverage.

In this proposed rule, short-term, limited-duration insurance is defined as “a type of health insurance coverage that was designed to fill temporary gaps in coverage that may occur when an individual is transitioning from one plan or coverage to another plan or coverage.” Under current law, these plans are limited to three months. What the rule proposes, however, is to extend the duration of these “short-term” plans to 12 months. Furthermore, the proposal seeks comments on whether the plans should be allowed for longer than 12 months, creating a permanent market for junk plans.

Approximately 133 million Americans under age 65 have a pre-existing condition. In the past, patients with pre-existing conditions faced difficulty getting comprehensive coverage, higher costs, or were barred access from coverage altogether. Current law ensures that no person can be denied coverage or charged more based on his or her health status. This rule reverses those critical consumer protections. These short-term plans force individuals and families to fill out medical questionnaires when applying, which are often used to deny coverage, charge more based on age, gender, or a pre-existing condition, or exclude coverage for the types of care that a person may need most, such as care for diabetes, high blood pressure, pregnancy, and countless other common conditions.

A significant portion of those with pre-existing conditions are older adults age 50 to 64. This proposed rule is likely to remove a number of younger and healthier Americans from the individual marketplaces, thereby imposing what AARP and others have called an “age tax” by significantly raising premiums for the older Americans and those with pre-existing conditions who must maintain comprehensive health coverage. Individuals buying these junk plans will also be forced to pay more for less care, as these plans will be exempt from existing marketplace rules. On average, the top two insurers who sold four out of every five short-term plans used 50% of premium dollars for company profits and overhead. Families cannot afford to buy health insurance that fails to cover them when they need it the most.

The patient community has expressed grave concerns about the proliferation of short-term plans – in fact, 113 groups, including AARP, American Heart Association, March of Dimes, and the National Alliance on Mental Illness, recently sent a letter expressing these concerns to Congressional leaders. Beyond that, several insurance companies and the American Academy of Actuaries have written about the adverse impact of these plans on the insurance market and patients.

We are committed to making health insurance premiums more affordable for all consumers and expanding the number of options, and we stand ready to work with the Administration and our colleagues in Congress to achieve these goals.

Unfortunately, creating a new class of health insurance plans that lack basic patient protections and could lead to higher prices for seniors, those with pre-existing conditions, and any American who wants to purchase a plan with comprehensive benefits does not achieve this goal.

For these reasons, we urge you not to finalize the proposed rule and instead to work with us to make health care more affordable for all families.