

U.S. Sen. Baldwin, Murphy: Lead 32 colleagues urging Biden Administration to limit availability of junk health care plans

Posted on Wednesday, Feb 22, 2023

>> **WisPolitics is now on the State Affairs network. Get custom keyword notifications, bill tracking and all WisPolitics content. [Get the app or access via desktop.](#)**

WASHINGTON, D.C. – Today, Senators Tammy Baldwin (D-WI) and Chris Murphy (D-CT) led a group of 32 colleagues in a letter urging the Department of Health and Human Services (HHS) to take immediate action and address short-term limited duration insurance (STLDI) plans, or junk plans, which fail to provide adequate, comprehensive health insurance coverage.

In 2018, in an effort to sabotage the Affordable Care Act (ACA), the Trump Administration made junk plans more widely available to consumers. Since then, these plans have continued to expand, however, they are not required to adhere to important standards, including prohibitions on discrimination against people with pre-existing conditions, coverage for the 10 essential health benefit (EHB) categories, and annual out-of-pocket maximums.

“Now, more than ever, the Department of Health and Human Services must act. Beginning in April, millions of Americans will likely lose the Medicaid coverage that they have relied upon during the COVID-19 pandemic. We must protect those who will be looking for coverage in the near future, and take steps to ensure that these plans are not allowed to further proliferate,” **wrote the Senators.** “It is past time for your Department to step up and address the expansion and proliferation of junk plans.”

In February of 2022, Senators Baldwin and Murphy [led a letter](#) to the Biden Administration urging them to act quickly to limit STLDI plans. In July of 2021,

Senators Baldwin and Murphy penned an [op-ed in Health Affairs](#) calling on President Biden to end the health care sabotage of the previous administration and get more Americans enrolled in high-quality, affordable, health insurance. Thanks to the Baldwin-backed *American Rescue Plan* and the *Inflation Reduction Act*, comprehensive coverage through the ACA marketplace is more affordable. Both bills expanded premium tax credits for low-and middle-income Wisconsinites and lowered health insurance premiums for working families, lowering health care costs for Wisconsin families and expanding access to affordable health care for millions of Americans.

During the 117th Congress, Senator Baldwin [introduced](#) the *Junk Plan Accountability and Disclosure Act* to protect consumers from being misled into enrolling in junk plans that fail to offer comprehensive coverage. Additionally, Senator Baldwin [introduced](#) the *No Junk Plans Act* to entirely overturn the Trump-era rule expanding junk health insurance plans. In the previous administration, Senator Baldwin led letters to [HHS and the Centers for Medicare & Medicaid Services](#) to limit the use of the junk plans.

In addition to Senators Baldwin and Murphy, the letter was signed by Richard Blumenthal (D-CT), Cory Booker (D-NJ), Sherrod Brown (D-OH), Ben Cardin (D-MD), Bob Casey (D-PA), Christopher Coons (D-DE), Catherine Cortez Masto (D-NV), Tammy Duckworth (D-IL), Richard Durbin (D-IL), Dianne Feinstein (D-CA), Maggie Hassan (D-NH), Martin Heinrich (D-NM), John Hickenlooper (D-CO), Timothy Kaine (D-VA), Angus King (I-ME), Amy Klobuchar (D-MN), Ben Ray Lujan (D-NM), Edward Markey (D-MA), Robert Menendez (D-NJ), Jeff Merkley (D-OR), Patty Murray (D-WA), Alex Padilla (D-CA), Gary Peters (D-MI), Jack Reed (D-RI), Jeanne Shaheen (D-NH), Tina Smith (D-MN), Debbie Stabenow (D-MI), Chris Van Hollen (D-MD), Mark Warner (D-VA), Raphael Warnock (D-GA), Elizabeth Warren (D-MA), and Peter Welch (D-VT).

Full text of the letter can be found [here](#) and below.

An online version of this release is available [here](#).

The Honorable Xavier Becerra

Secretary

Department of Health and Human Services

200 Independence Ave SW

Washington, DC 20201

Dear Secretary Becerra,

As we celebrate the State of the Union and the important gains that we have made when it comes to expanding the availability of comprehensive, affordable health care coverage, we write once again to urge you to take immediate action and address short-term limited duration insurance plans, or, junk plans. Now, more than ever, the Department of Health and Human Services must act. Beginning in April, millions of Americans will likely lose the Medicaid coverage that they have relied upon during the COVID-19 pandemic. We must protect those who will be looking for coverage in the near future, and take steps to ensure that these plans are not allowed to further proliferate.

The *Families First Coronavirus Response Act (Families First)* (P.L. 116-127) provided additional federal Medicaid funding to states during the COVID-19 public health emergency in exchange for maintaining coverage, specifically by meeting certain maintenance-of-effort requirements. These requirements barred states from lowering income eligibility levels, imposing new premiums or other barriers to enrollment, and involuntarily disenrolling individuals from their programs. According to federal data, Medicaid enrollment has increased by over 30 percent since February of 2020, an additional 19.5 million people. Congress has also worked to provide additional financial support for those who purchase ACA marketplace plans, and in August, passed the *Inflation Reduction Act*, which extended the additional financial support first enacted as part of the *American Rescue Plan*. As a result of this additional support, consumers saved an average of \$800 on their premiums in 2021, and will continue to see savings through 2025.

As part of the Fiscal Year 2023 (FY23) omnibus, Congress took steps to uncouple the maintenance-of-effort requirements included in *Families First* from the public health emergency in order to avert both a Medicaid coverage and funding cliff. Starting on April 1, 2023, states will be able to begin conducting Medicaid eligibility redeterminations and enhanced federal funding will gradually phase out from April through December 2023. In order to receive enhanced funding during this period, states must follow all federal requirements related to redeterminations, update beneficiaries' contact information, and use multiple methods to contact individuals when they have moved and have an out-of-date mailing address. States will also be

required to submit monthly reports on unwinding, including information indicating where beneficiaries are experiencing challenges.

Congress worked to make sure that the FY23 omnibus gave state Medicaid programs a roadmap for the months ahead and enacted the *Inflation Reduction Act* to provide additional financial support for those enrolling in health coverage through the marketplace. It is now time for the Administration to do its job and act to protect those who will be seeking to enroll in coverage in the coming months.

According to estimates from your Department, approximately 15 million individuals will lose Medicaid or CHIP coverage in the coming year and will therefore require affordable health care coverage. Millions will be eligible for significant financial assistance to purchase comprehensive coverage on the marketplace. But without additional protections, many Americans could find themselves enrolled in junk plans that do not provide comprehensive coverage or protection for individuals with pre-existing conditions. These plans, which were actively promoted by the previous Administration and remain unchecked, are not required to comply with consumer protections that limit out-of-pocket costs or coverage of essential health benefits, including mental health services, treatment for substance-use disorder, prescription drug benefits, and maternity care. Furthermore, these plans engage in the type of discriminatory practices, such as retroactive coverage rescissions, medical underwriting, and lifetime and annual caps, which were commonplace before the Affordable Care Act.

Since President Biden took office, he has prioritized expanding access to comprehensive, affordable health coverage. Congress has supported these efforts. It is past time for your Department to step up and address the expansion and proliferation of junk plans.

Sincerely,