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Wisconsin OCI: Releases new study analyzing short-term limited duration plans

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Madison, Wis. —The Office of the Commissioner of Insurance (OCI) has released a report evaluating the utilization and impact of short-term limited duration plans (STLDP) in the Wisconsin market. STLDPs are insurance products designed to provide coverage as a bridge between other health coverage sources for a limited period of time until an individual is able to obtain comprehensive coverage. STLDPs are not subject to Affordable Care Act protections so carriers are able to impose exclusions based on pre-existing conditions and take other action that limits their insured pool.

“This report provides important insights into the enrollment rates, product design, and marketing practices of STLDPs,” said Insurance Commissioner Nathan Houdek. “Understanding the impact of these plans in the broader health insurance marketplace will help us better serve and protect Wisconsin consumers.”

The STLDP report has several key findings:

- In 2021, 12 insurers sold STLDPs in Wisconsin with 10,310 enrolled members.
- STLDPs sold in Wisconsin offer plans of varying length ranging from 30 to 364 days.
- STLDP enrollment has been decreasing in recent years which may be due to the COVID-19 public health emergency, increased federal funding for ACA plan outreach, expanded federal subsidies for ACA plans, or other factors.
- Consumers aged 55-65 account for the largest group of members enrolled in STLDPs.
- STLDP enrollment is highest in the northeastern and southeastern regions of

the state.
- The statewide average premium for STLDPs in 2021 was $157 per month.
- Nearly all STLDPs in Wisconsin cover prescription drugs and cancer treatment, but less than half cover mental health and substance use treatment, and none cover maternity care.
- The STLDP rate of claims denials, 31.3%, far exceeds the average denial rate for in-network claims by Wisconsin's ACA Marketplace plans which was reported at 11.7% for 2021.

"Thousands of Wisconsinites utilize STLDPs, and we want to ensure that those consumers are informed about the scope and limitations of these plans," said Commissioner Houdek. "Consumers have a lot of choices for coverage in our competitive health insurance marketplace. They may even qualify for a $0 plan on the federal exchange, so we encourage everyone to shop around and understand all their options before enrolling in coverage."

Governor Tony Evers launched the DHS OCI Health Care Coverage Partnership in 2019 to improve coordination around outreach and education, increasing enrollment and health insurance literacy, and improving enrollment retention.This Partnership developed WisCovered.com as a digital resource for Wisconsinites to learn more about their coverage options and get connected with free, local experts that can help them understand their health insurance coverage options and get enrolled.