



## H.R.1010: Undo the “Short-Term, Limited Duration Insurance” Rule

On August 3, 2018, the Trump administration finalized a rule to expand short-term, limited duration plans, adding to the long list of its efforts to sabotage the *Affordable Care Act* (ACA) and destabilize our health care system. These short-term plans are exempt from ACA consumer protections, and, like the junk plans that were commonplace before the ACA, offer limited benefits and little financial protection from high health care costs. Expansion of these plans will harm working families and those who need coverage the most.

### What H.R. 1010 Does

HR 1010 would protect consumers from junk health plans by undoing the Trump administration’s “Short-Term, Limited Duration Insurance” rule.

### Why H.R. 1010 is Important

The Trump administration’s effort to expand the use of short-term health plans puts consumers at risk of higher costs, particular for those with preexisting conditions.

### Expanding short-term health plans undermines basic consumer protections established under the *Affordable Care Act*. These *junk plans*:

- Can deny consumers coverage or charged more based on their age, gender, or health status.
- Have no guarantee of coverage for basic benefits, such as maternity care, mental health, prescription drugs coverage, and preventive services.
- Are not subject to the out-of-pocket limits that protect consumers from staggering health care costs.
- Are not subject to rules that ensure premiums go mostly toward actual health care expenses, not advertising and executive bonuses for insurance companies.

### Expanding short-term health plans puts patients with preexisting conditions at risk.

- Short-term plans can retroactively and prospectively rescind or deny coverage for care that may stem from a preexisting condition, leaving individuals with no coverage for needed care.
- Individuals who have coverage rescinded for a preexisting condition could also be barred from re-applying once their short-term plan expires, leaving them without coverage.

### Expanding short-term health plans increases health care costs for Americans, including those who do not purchase a short-term plan. Middle-class consumers are hit the hardest.

- Junk short-term plans can lure relatively young and healthy people away from Marketplace plans that have strong consumer protections. The result has consequences for everyone:
  - When unexpected health costs arise, consumers in short-term health plans are exposed to unaffordable costs.

- By luring young and healthy people away from Marketplace plans, short-term plans make premiums more expensive for the majority of Americans who need the strong protections and comprehensive coverage provided by Marketplace places.
- As premiums skyrocket, middle-income families who make too much to qualify for subsidies that insulate them from price increases would feel the impact of increased costs the most.
  - According to the Urban Institute, the combination of expanding short-term plans, repealing the individual mandate, and other Trump administration actions that sabotage the individual market could cause premiums to rise, on average, an estimated 18 percent in 2019 with 9 million more individuals uninsured.