



Testimony of The Leukemia & Lymphoma Society

In opposition to LD 424 "An Act To Restore Short-term Health Insurance"

February 25th, 2021

The Leukemia & Lymphoma Society (LLS) is pleased to submit the following testimony to the Joint Standing Committee on Health Coverage, Insurance, and Financial Services in opposition to LD 424, "An Act To Restore Short-Term Health Insurance." We believe this bill represents a serious threat to both patient health and wellbeing and to the stability of Maine's insurance markets.

At LLS, our mission is to cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families. LLS exists to find cures and ensure access to treatments for blood cancer patients.

It is critical to understand that short-term health insurance, also known as short-term limited-duration or STLD plans, is not comprehensive health coverage. Compared to the requirements that the state of Maine and the Affordable Care Act (ACA) place on other types of health insurance coverage, STLD plans have significant shortcomings that put consumers at serious risk of harm to both their health and financial well-being.

There is a reason that the Legislature acted just last session to make sure that consumers are fully aware of the limitations of these plans before buying one. Under broader federal guidance, STLD plans, which are not required to cover pre-existing conditions, would be much more widely available. They are not required to offer the same level of comprehensive benefits, such as prescription drug coverage, as other plans. They are not required to limit out-of-pocket maximums as ACA-compliant plans are, which can leave patients exposed to devastating financial harm when they need to use their coverage. At the same time, these plans are allowed to impose annual limits on benefit spending, meaning that they can simply abandon patients altogether once their bills hit a certain dollar amount.¹ As just one example of the potential harm that these plans represent, an LLS advocate and 29-year-old cancer survivor in Illinois was left with more than \$800,000 in medical bills when his STLD plan considered his non-Hodgkin lymphoma to be a pre-existing condition and refused to cover his associated bills.²

In addition, we are concerned that the availability of STLD plans could lead to instability in the individual market as a whole, by siphoning healthier consumers away from more traditional coverage. Last session,

¹ Larry Levitt, Rachel Fehr, Gary Claxton, Cynthia Cox, and Karen Pollitz, "Why do Short-Term Health Insurance Plans Have Lower Premiums than Plans that Comply with the ACA?" Kaiser Family Foundation. October 2018, available at <http://files.kff.org/attachment/Issue-Brief-Why-Do-Short-Term-Health-Insurance-Plans-Have-Lower-Premiums-Than-Plans-That-Comply-with-the-ACA>

² "The Leukemia & Lymphoma Society's (LLS) Impact: Read How Cancer Survivors and LLS Advocates Are Taking Action Against the Rising Cost of Cancer Care". Available at <http://www.lls.org/sites/default/files/patient%20story%20MMNR%20PDF%20FINAL.pdf>



the Legislature clarified that all plans in the state, even STLD plans, must be sold “guaranteed issue” – that is, they must extend coverage even to enrollees with pre-existing conditions. LD 424 does not change that protection. However, even with guaranteed issue in place, STLD plans in Maine would still be able to offer limited benefits coupled with higher cost sharing than would be allowed in the individual market. If the healthiest consumers were tempted by these cheap-but-skimpy plans, the enrollees left in the traditional individual market – many of whom are patients who have no choice but to maintain comprehensive coverage in order to treat chronic or serious health conditions – could see insurers raise rates as a result. These higher rates could then cause the healthiest remaining individual market consumers to select STLD plans, creating a yearly ratcheting effect. This “adverse selection” will result in a spiral of ever-increasing premiums for ACA-compliant coverage, while more and more consumers end up exposed to the harmful deficiencies in STLD plans.³

For these reasons, we oppose LD 424 and urge the members of the Committee to vote **ought not to pass**.

If you have questions about LLS’s position on this matter, or would like further information from LLS, I can be reached at steve.butterfield@lls.org or 207-213-7254.

Sincerely,

Steve Butterfield
Regional Director, Government Affairs
The Leukemia & Lymphoma Society

³ Hansen, Dane and Gabriela Diequez. “The Impact of short-term limited-duration policy expansion on patients and the ACA individual market.” Milliman Inc. for The Leukemia & Lymphoma Society. February 2020, available at <https://www.lls.org/sites/default/files/National/USA/Pdf/STLD-Impact-Report-Final-Public.pdf>