

Short-Term, Limited-Duration Plans: A Disaster for Women and Families

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As part of continued attempts to sabotage the Affordable Care Act (ACA), the Trump administration is trying to expand the availability of skimpy, discriminatory insurance plans by changing the rules for short-term, limited-duration insurance.

Short-term, limited-duration insurance is intended to provide *temporary* insurance during unexpected coverage gaps. This type of coverage is exempt from the definition of individual health insurance coverage under the ACA and does not have to comply with the law's core provisions, which help ensure women have quality, affordable insurance that meets their health care needs.

Moreover, discriminatory, predatory practices allow short-term plans to offer low premiums and attract younger and healthier individuals. This could leave older, sicker and more costly consumers behind in the ACA-compliant market and saddled with skyrocketing costs, ultimately putting affordable health coverage out of reach for many women.

Specifically, short-term limited-duration plans:

- ▶ **Exclude coverage for pre-existing conditions.** Because short-term plans are exempt from the ACA's pre-existing condition protections, plans can deny coverage to the approximately 65 million women nationwide with pre-existing conditions,¹ or deny coverage of specific services based on health status and medical history. Health questionnaires are often used by short-term plans to identify and deny coverage to people with pre-existing conditions, and many define pregnancy as a pre-existing condition. Some plans also specifically exclude services for conditions that disproportionately affect women, such as chronic fatigue, chronic pain and arthritis.²
- ▶ **Discriminate based on gender and gender identity.** Before the ACA took effect, 92 percent of best-selling plans on the individual market charged women higher premiums than men. This predatory pricing used to cost women approximately \$1 billion a year³ and is still commonplace among insurers selling short-term plans. Short-term plans also discriminate based on gender identity by excluding coverage for transition-related services, such as surgery.
- ▶ **Limit coverage of essential women's health services.** Short-term plans are not required to provide coverage for essential benefits and routinely exclude women's health services, including routine maternity care, birth control and abortion care. This leaves women with skimpy and inadequate coverage that neither gives them access to needed care nor offers adequate financial protection against serious medical conditions.

- ▶ **Have high out-of-pocket costs and limit the coverage people can receive each year and over their lifetime.** Under the ACA, a person does not have to pay more than \$7,350 out of pocket for the entire year,⁴ but some short-term plans may require a person to pay more than \$20,000 over the course of the policy.⁵ A woman or her family could quickly meet the annual and lifetime limits because of an expensive medical condition or treatment for a catastrophic medical emergency. For example, some insurers provide per-service limits, such as \$1,000 per day for hospital room and board and \$500 per day for emergency room services.⁶ The impact of high out-of-pocket costs and annual and lifetime limits could be financially devastating and leave women and families without coverage when they need it most.

¹ National Women's Law Center. (2018). *How Short-Term Limited Duration Insurance Plans Being Pushed by the Trump Administration Shortchange Women*. Retrieved 16 April 2018, from <https://nwlc.org/blog/how-short-term-limited-duration-insurance-plans-being-pushed-by-the-trump-administration-shortchange-women/>

² U.S. Department of Health and Human Services, Office on Women's Health. (2017, December). *Chronic Fatigue Syndrome Fact Sheet*. Retrieved 18 April 2018 from, <https://www.womenshealth.gov/a-z-topics/chronic-fatigue-syndrome>; Fillingim, R.B., King, C.D., Riberio-Dasilva, M.C., Rahim-Williams, B.R., & Riley, J.L. (2009, May). Sex, Gender, and Pain: A Review of Recent Clinical and Experimental Findings. *The Journal of Pain*, 10(5), 447–485. Retrieved 18 April 2018, from <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2677686/>; Rabin, R. (2016, April). Ask Well: Why is Arthritis More Common in Women Than Men? *The New York Times*. Retrieved 18 April 2018, from <https://well.blogs.nytimes.com/2016/04/12/ask-well-why-is-arthritis-more-common-in-women-than-men/>

³ National Women's Law Center. (2012). *Turning to Fairness: Insurance Discrimination against Women Today and the Affordable Care Act*. Retrieved 14 December 2016, from http://www.nwlc.org/sites/default/files/pdfs/nwlc_2012_turningtofairness_report.pdf

⁴ For the 2018 plan year, the out-of-pocket maximum for individual plans in the ACA compliant market is \$7,350.

⁵ Polliz, K. (2018, February 09). *Understanding Short-Term Limited Duration Health Insurance*. Kaiser Family Foundation. Retrieved 26 March 2018, from <https://www.kff.org/health-reform/issue-brief/understanding-short-term-limited-duration-health-insurance/>

⁶ *Secure Lite: Short-term Medical Insurance for Individuals and Families* [Brochure]. (2017). The IHC Group.

The National Partnership for Women & Families is a nonprofit, nonpartisan advocacy group dedicated to promoting fairness in the workplace, reproductive health and rights, access to quality health care and policies that help women and men meet the dual demands of work and family. More information is available at NationalPartnership.org.

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