



**Our Mission:** To drive efforts to cure psoriatic disease and improve the lives of those affected.

January 22, 2020

The Honorable Jene Vickrey  
Kansas House of Representatives  
Kansas State Capitol  
300 SW 10th St.  
Topeka, KS 66612

**RE: HB 2053 – written opposition testimony for the January 22 House Insurance Committee hearing**

Dear Chairman Vickrey and Members of the Committee:

On behalf of the more than eight million Americans living with psoriasis and psoriatic arthritis, the National Psoriasis Foundation (NPF) appreciates the opportunity to submit comments on H.B. 2053, Providing for short-term, limited-duration health plans. As the patient advocacy organization for the psoriatic disease community for more than 50 years, the NPF is keenly aware of the improvements in health outcomes that have resulted from advances in treatment innovation. Therefore, the NPF remains committed to ensuring beneficiaries with psoriasis and psoriatic arthritis have access to the full range of treatments and therapies necessary to successfully manage their disease.

**NPF write today in opposition of H.B. 2053, and the expansion of short-term health insurance plan durations from 6 months to 12 months and the optional extension to 36 months.**

Short-term plans were initially available to fill a temporary gap in coverage, such as gaps in employment. NPF expresses concern that deregulating short-term plans will create underinsurance problems for the individuals and families we serve. We also caution that these plans will create adverse-selection issues for insurance pools: by moving healthier people onto substandard plans, the costs of coverage will certainly rise for consumers with pre-existing conditions elsewhere in the private market who would not or could not pursue a short-term plan. Premiums for comprehensive plans would likely increase significantly, making insurance unaffordable.

In May 2018, NPF and 20 other patient and consumer advocacy organizations submitted joint comments regarding the federal rule changes by advising the expansion of these products would continue to threaten patients with pre-existing conditions because insurers offering these policies can either deny coverage or charge higher premiums to individuals with pre-existing conditions.

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Since the federal rule was finalized in 2019, the federal government has allowed states to expand short-term plans, which in turn, weakens consumer protections. Should this law be enacted, many enrollees of the newly available plans – lured by lower premiums and expanded availability – could find themselves with woefully inadequate coverage and greater out of pocket costs. For people with chronic and serious health conditions, the lack of access to necessary treatment options and the high out-of-pocket costs would be devastating and could lead to greater disease progression.

Short-term plans are not required to comply with protections for people with pre-existing conditions. They are permitted to consider an individual’s health status when issuing health insurance coverage, which means an insurer can choose to deny coverage, charge higher premiums, or not cover certain benefits for individuals based on their health history. Additionally, insurers offering these plans are also not federally prohibited from rescinding coverage from consumers who encounter health issues after they enroll.

Unlike ACA-compliant plans, short-term plans also do not have to provide coverage for Essential Health Benefits (EHBs). If people with serious and chronic conditions do not have access to services through their health insurance coverage, they are forced to pay out-of-pocket for their treatment, which can often be prohibitively expensive.

Short-term plans can impose lifetime and annual limits on coverage, and they are not subject to limits on the amount of out-of-pocket costs and deductibles they can impose on enrollees for covered in network services. One analysis of the best-selling short-term plan in Georgia showed these plans had a 3-month out-of-pocket limit of \$10,000, which did not include the deductible of \$10,000, making the effective 3-month out-of-pocket maximum \$20,000.<sup>1</sup> Another analysis found caps on coverage for short-term plans in Phoenix, AZ to be as low as \$250,000.<sup>2</sup> These limits would be devastating not only for the individuals and families we represent but for all residents of Kansas who could be persuaded to purchase a plan with such limited coverage and benefits.

Finally, short-term plans will likely attract younger and healthier individuals, dividing the individual marketplace risk pool. That will result in a spike in premiums for comprehensive plans sold in the marketplace that cover the treatments and services that patients with pre-existing conditions need, again reducing access to affordable coverage for the individuals and families we represent.

It is for these reasons the National Psoriasis Foundation opposes H.B. 2053 and urges the Committee to please vote “no” on H.B. 2053. People with pre-existing conditions need access to

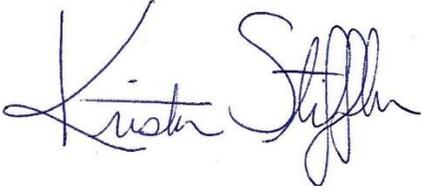
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<sup>1</sup> Palanker, D, Lucia, K, and Curran, E. New Executive Order: Expanding Access to Short-Term Health Plans Is Bad for Consumers and the Individual Market. To the Point, The Commonwealth Fund, October 2017. Available at <https://ccf.georgetown.edu/2017/10/13/new-executive-order-expanding-access-to-short-term-health-plans-isbad-for-consumers-and-the-individual-market/>.

<sup>2</sup> Pollitz, K. Understanding Short-Term Limited Duration Health Insurance. Kaiser Family Foundation, February 2018. Available at <https://www.kff.org/health-reform/issue-brief/understanding-short-term-limited-durationhealth-insurance/>.

adequate, affordable health insurance and expanding short-term insurance plans will reduce options to improve healthcare for Kansans.

Sincerely,

A handwritten signature in black ink, reading "Kristen Stiffler". The signature is written in a cursive style with a large, stylized "K" and "S".

Kristen Stiffler  
State Government Relations Manager, Central Region