



Wisconsin Medical Society

TO: Senate Committee on Insurance, Financial Services, Government Oversight and Courts
FROM: HJ Waukau, Director of Policy
DATE: February 13, 2020
RE: Opposition to Assembly Bill 793 – Short-term Health Coverage

Adopting the federal definition of short-term limited duration insurance plans (STLDI) as defined under SB 793 present two concerns for the Society. First, the coverage provided by STLDI plans does not maintain the patient protections as codified by the Affordable Care Act (ACA). Second, expansion of STLDI plans could undermine and destabilize the ACA marketplace threatening coverage for Wisconsin's residents. It is the mission of the Wisconsin Medical Society (Society) to improve the health of the people of Wisconsin by supporting and strengthening physicians' ability to practice high-quality patient care in a changing environment. We are also committed to achieving universal coverage for patients through both public and private means.

To help guard against any potential market instability the Society ardently supported the Wisconsin Healthcare Stability Plan (WIHSP) that was created by Governor Walker in 2018. WIHSP was a reinsurance plan that buttressed Wisconsin's insurance markets and lowered premiums, enabling Wisconsin's residents to seek and maintain adequate health coverage.

STLDI plans do not adhere to all of the ACA's guidelines and requirements. They are intended to serve as stopgap for those who lose coverage, but still want to maintain a major medical policy for a variety of personal reasons. By design, STLDI plans are allowed to be underwritten, and not cover preexisting conditions. Under STLDI plans patients can be denied coverage based on any preexisting conditions, lose coverage if they are diagnosed with a new condition, or be subject to coverage caps.

The issue of insurance affordability is one that the Society takes very seriously but exposing patients to unnecessary risk is not a remedy. Further, the Society does not support insurance plans that do not cover essential health benefits as defined under the ACA or patient protections such: as guaranteed issue of insurance, no caps on coverage, and no exclusions for preexisting conditions. By definition, STLDI plans do not meet this standard.

An additional concern is that the enrollees most apt to select an STLDI plan are younger and healthier than those who need the coverage provided by a qualified ACA plan. Increased utilization of STLDI plans could siphon off younger, healthier members who are a key component of a financially sustainable insurance exchange.

The Society appreciates any and all efforts to increase access to robust insurance coverage for Wisconsin's residents and welcomes future conversations on the subject.