



December 3, 2018

Trinidad Navarro, Commissioner  
Delaware Department of Insurance  
Attn: Leslie W. Ledogar, Esq., Regulatory Specialist  
Docket No. 3909-2018  
841 Silver Lake Boulevard  
Dover, DE 19904

Dear Commissioner Navarro:

Thank you for the opportunity to provide comments on Delaware Department of Insurance's proposed rule 1320, Minimum Standards for Short-Term, Limited Duration Health Insurance Plans. As a voice for patients throughout Delaware, our organizations are pleased to support your efforts to limit the potentially harmful impact of short-term limited duration (STLD) plans on Delaware consumers.

Our organizations represent thousands of patients throughout Delaware with wide-ranging and specific health needs. The patients we represent experience chronic and acute conditions across the health spectrum. We are collectively dedicated to ensuring that Delaware patients are able to count on high-quality, affordable, and comprehensive health coverage when they need it most. It is in service to that goal that we applaud the proposed rule, which will put important protections in place for Delaware residents in order to shield them from much of the potential harm that these plans could bring.

It is important to recognize that STLD plans are not viable, comprehensive health coverage. Compared to the requirements that the Affordable Care Act (ACA) places on other types of insurance coverage, such as plans in the individual market, STLD plans have significant shortcomings that put consumers at serious risk of harm to both their health and financial well-being. These plans are not required to cover pre-existing

conditions. 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.<sup>i</sup>

Recent new rules from the Trump Administration have significantly expanded the availability of STLD plans in an attempt to position them as a credible alternative to more comprehensive, ACA-compliant coverage. Our organizations are gravely concerned that patients and consumers may inadvertently select an STLD plan without realizing or fully understanding its shortcomings, only discovering the plan's limitations when they need coverage the most. For instance, an 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.<sup>ii</sup>

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. If healthier consumers select STLD plans, insurers may raise rates for the traditional individual market 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.<sup>iii</sup>

If you have questions about our position on this matter, or would like further information from our organizations, you can contact Steve Butterfield, regional director of government affairs for The Leukemia & Lymphoma Society, at [steve.butterfield@lls.org](mailto:steve.butterfield@lls.org) or 207-213-7254.

Sincerely,

American Cancer Society Cancer Action Network  
American Diabetes Association  
American Lung Association  
Arthritis Foundation  
Crohn's & Colitis Foundation  
Cystic Fibrosis Foundation  
Epilepsy Foundation  
Epilepsy Foundation of Delaware  
Global Healthy Living Foundation  
Hemophilia Federation of America  
The Leukemia & Lymphoma Society  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
National Psoriasis Foundation

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<sup>i</sup> 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>

<sup>ii</sup> "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>

<sup>iii</sup> "Effects of Short-Term Limited Duration Plans on the ACA-Compliant Individual Market." Association for Community Affiliated Plans. April 12, 2018. Available at <https://www.communityplans.net/policy/effects-of-short-term-limited-duration-plans-on-the-aca-compliant-individual-market/>