NORD®
National Organization for Rare Disorders

Alone we are rare. Together we are strong.®

February 18, 2026

Representative Patricia McCoy
Vermont General Assembly
115 State St
Montpelier, VT 05633

Representative Francis McFaun
Vermont General Assembly
115 State St
Montpelier, VT 05633

Chair Alyssa Black
Vermont General Assembly
115 State St
Montpelier, VT 05633

Re: NORD Comments on H.585 §8 – Short-Term Limited Duration Plans

Dear Representative McCoy, Representative McFaun, and Chair Black,

The National Organization for Rare Disorders (NORD) submits the following comments on H.585. Our comments are limited to §8, "Expanding Access to Short-Term, Limited-Duration Plans," which would align Vermont statute with the updated federal short-term plan rule issued in September 2024.

With a more than 40-year history, NORD is the leading and longest-standing patient advocacy organization for the estimated 1-in-10 Americans living with a rare disease. An independent 501(c)(3) nonprofit, NORD represents more than 355 patient organization members and is committed to improving the health and well-being of people with rare diseases by driving advances in care, research, and policy. NORD believes that all individuals with a rare disease should have access to high-quality, affordable health coverage that meets their medical needs.

Short-Term Limited Duration Health Plans
NORD supports the Affordable Care Act and its consumer protections and opposes efforts to expand access to short-term, limited-duration (STLD) health plans that do not meet ACA standards. Short-term plans are not required to comply with ACA protections. They may deny coverage based on pre-existing conditions, exclude essential health benefits, and fail to cover the specialists, treatments, and medications that rare disease patients depend upon.

Rare diseases frequently require ongoing, specialized, and complex care. For individuals who are undiagnosed, a rare disease diagnosis during the term of a short-term plan can result in being locked into inadequate coverage until that plan expires. When healthier individuals enroll in short-term plans, individuals with complex medical needs may also face higher premiums in the comprehensive insurance market.

For these reasons, NORD does not support aligning Vermont statute solely with the federal minimum duration standard.

Recommended Consumer Protection Addition Using Existing Vermont Regulatory Language
If § 8 advances, NORD respectfully offers the following addition, drawn verbatim from existing Vermont regulations (CVR 21-020-072), to ensure current consumer protections remain intact:

> *( ) In addition to complying with all insurance requirements and benefit mandates as set forth in 8 V.S.A. Chapter 107 and 18 V.S.A. Chapter 221, every policy of short-term, limited-duration health insurance delivered or issued for delivery in this State:*
>
> 1. *Shall include a process for subscribers to appeal adverse benefit determinations that complies with the requirements of 8 V.S.A. § 4089f and Department Regulation H-2011-02;*

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2. *May not contain a provision purporting to reserve discretion to the insurer to interpret the terms of the contract or to provide standards of interpretation or review that are inconsistent with the laws of this State. Any such policy, contract, certificate, or agreement shall be null and void to the extent it conflicts with this subsection, pursuant to 8 V.S.A. § 4062f;*
3. *Shall not contain an exclusion or limitation for pre-existing conditions or a waiting period on the coverage of pre-existing conditions.*

Codifying these provisions would preserve Vermont's strong consumer protections while maintaining clarity in statute.

NORD State Report Card®
Each year, NORD evaluates how effectively states protect individuals living with rare diseases through publication of NORD's State Report Card®[1]. In the issue area of short-term, limited-duration plans[2], states that impose stronger restrictions receive higher grades, while states that adhere only to federal baseline requirements receive lower or failing grades.

Vermont currently earns an "A" grade in this issue area. This places Vermont alongside states such as Massachusetts, Connecticut, Maine, Rhode Island, and New York, all of which maintain strong restrictions that effectively prevent the sale of underwritten short-term products. By contrast, states that rely solely on the federal baseline or impose no additional safeguards receive failing grades.

In August 2025, federal agencies announced they would deprioritize enforcement of existing federal STLD rules[3]. With reduced federal oversight, state-level protections now serve as the primary safeguard for patients.

If Vermont aligns solely with the federal minimum without codifying existing protections, the state risks moving from the highest tier of consumer protection into alignment with states that receive failing grades under NORD's methodology.

We appreciate your consideration of these comments and stand ready to serve as a resource as this legislation moves forward.

Sincerely,

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[1] NORD State Report Card Vermont https://rarediseases.org/state/vermont/
[2]NORD State Report Card® STLD https://rarediseases.org/policy-issues/protecting-patients-in-state-regulated-insurance/
[3] US Department of Labor, Health and Human Services, and Treasury STLD https://www.dol.gov/index.php/agencies/ebsa/laws-and-regulations/laws/affordable-care-act/for-employers-and-advisers/short-term-limited-duration-insurance/stldi-statement-08-07-2025