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Michigan's U.S. Senators

Debbie Stabenow & Gary Peters

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Peters, Stabenow Urge Biden Administration to Limit Health Care Plans Without Protections for Pre-Existing Health Conditions

So-Called “Junk Plans” Can Deny Coverage to People with Pre-Existing Conditions and Are Not Required to Cover Essential Health Benefits Such As Maternity Care, Prescription Drugs, Care for Substance Use Disorders and Emergency Room Care

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WASHINGTON, DC – U.S. Senators Gary Peters (MI) and Debbie Stabenow (MI) urged the Biden Administration to limit the sale and availability of short-term, limited-duration insurance (STLDI) plans, also known as “junk plans” because of their failure to provide adequate, comprehensive health insurance coverage. In a letter to the Department of Health and Human Services (HHS) Secretary Xavier Becerra, Peters, Stabenow and their colleagues highlighted how these plans harm those with pre-existing health conditions.

“It is our responsibility to ensure that all Americans have access to affordable and comprehensive health care coverage. In order to strengthen that commitment, HHS must act quickly to limit the proliferation and promotion of STLDI plans, and undue the sabotage caused by the previous administration,” **said the Senators.**

In 2018, in an effort to undermine the Affordable Care Act (ACA), the Trump Administration made junk plans more widely available to consumers. Since then, the plans have continued to proliferate, however, they are not required to adhere to important standards, including prohibitions on discrimination against people with pre-existing medical conditions, coverage for the 10 essential health benefit (EHB) categories, and annual out-of-pocket maximums.

Peters and Stabenow previously cosponsored legislation to overturn the expansion of junk plans and voted on a resolution to protect people with pre-existing health conditions during the Trump Administration.

The full text of the letter is available [here](#) and below:

Dear Secretary Becerra:

This year, 14.5 million Americans signed up for comprehensive health insurance coverage during Open Enrollment, a new record. Thanks to the American Rescue Plan, four out of five consumers who receive health insurance from the marketplace are finding quality coverage for less than \$10 per month, and a majority of those enrollees are also receiving subsidies to decrease their co-pays, deductibles, and other out-of-pocket spending. We write to congratulate you and your entire department for this significant achievement and encourage you to take additional steps to ensure that even more Americans are protected from substandard plans that do not provide coverage for pre-existing conditions. Now is the time to issue new regulations limiting the sale and availability of short-term, limited-duration insurance (STLDI) plans, also known as “junk plans” because of their failure to provide adequate coverage.

Despite the important gains that we have made in providing comprehensive and affordable coverage for more Americans, STLDI plans continue to sow confusion and cause harm to patients. These plans, which are not required to adhere to important standards, including prohibitions on discrimination against people with pre-existing conditions, coverage for the 10 essential health benefit (EHB) categories, and annual out-of-pocket maximums, have continued to proliferate. In 2018, the Trump administration issued a rule to sabotage the Affordable Care Act (ACA) by promoting STLDI plans and that same year all Senate Democrats and one Republican Senator voted to block the rule. Unfortunately, this effort to undermine critical patient and consumer protections has yet to be undone.

We were pleased to see the Biden administration include amending regulations concerning STLDI plans in the Fall 2021 Unified Agenda and Regulatory Plan, and are proud of the historic coverage gains that we have seen as a result of President Biden’s and your leadership. However, it is past time for us to take action. STLDI plans undermine the integrity of the ACA and put those with pre-existing conditions at risk. The Department of Health and Human Services (HHS) should immediately restore the three-month duration limit for plans, limit plan renewability, and reduce the ability to purchase back-to-back STLDI plans. We also urge you to consider additional efforts to protect patients and consumers such as banning sales during Marketplace Open Enrollment, limiting internet and phone sales, establishing a prohibition on retroactive coverage rescissions, and requiring additional consumer disclosures about plan coverage.

It is our responsibility to ensure that all Americans have access to affordable and comprehensive health care coverage. In order to strengthen that commitment, HHS must act quickly to limit the proliferation and promotion of STLDI plans, and undue the sabotage caused by the previous administration.

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