



**Standing Advisory Board Meeting
Draft Agenda**

Date: Monday, May 7, 2018
Time: 1:00 PM
Location: By Conference Call only
Call- in Number: 1-650-479-3208; access code 855 935 357

Members Present: Dave Chandrasekaran, Kevin Dougherty, Laurie Kuiper, Billy MacCartee, Claire McAndrew, Dania Palanker

Members Absent: Chile Ahaghotu, Chris Gardiner, Jill DeGraff

I. Welcome, Opening Remarks and Roll Call, Claire McAndrew, Vice Chair

Ms. McAndrew called the meeting to order at 1:02 p.m. A roll call of members present confirmed that there was a quorum with five members present: Dave Chandrasekaran, Kevin Dougherty, Laurie Kuiper, Billy MacCartee, Claire McAndrew, and Dania Palanker.

II. Approval of Draft Agenda, Claire McAndrew, Vice Chair

It was moved and seconded to approve the agenda. The motion passed unanimously by voice vote.

III. Approval of Minutes, Claire McAndrew, Vice Chair

It was moved and seconded to approve the minutes of the April 25, 2018 meeting. The motion passed unanimously by voice vote.

IV. Discussion Item, Claire McAndrew, Vice Chair

- a. Consider a Recommendation with regard to local policy interventions for the District to regulate short-term limited duration health plans to protect and enhance market stability in the District's individual health insurance market.

Ms. McAndrew stated that the Board has reconvened today to consider a recommendation with regard to local policy interventions for the District to regulate short-term limited duration health plans (STLD plans) to protect and enhance market stability in the District's individual health insurance market.

We had a very full discussion at our April 25th meeting on this topic. As you will recall, the Trump Administration has issued new proposed regulations, changing existing regulations that limit short-term limited duration health plans to less than three months, to allow these plans to be sold for coverage periods of up to 364 days. Again, these are health plans that do not meet the ACA consumer protection standards or benefit requirements. They are intended to serve as stop gap coverage for short periods.

This new proposal from the federal government has potential negative consequences in two major ways:

First, people could end up buying policies that they think cover all their medical needs, but only learn after the fact – and too late – that short term limited duration plans actually don't cover most pre-existing conditions, maternity benefits, mental health benefits or even prescription drugs.

Secondly, it could have a highly negative impact on the District's individual health insurance marketplace because companies would target young, healthy people for these STLD plans and the pool remaining in the individual marketplace would become sicker, and older and more expensive to cover.

Thankfully, the new proposed federal regulation does not overturn states' abilities to regulate health insurance. So, the District can prevent these negative consequences here by changing our local laws to maintain the existing requirement that these STLD plans remain limited to less than three months of coverage and enact additional consumer protections.

At last week's meeting, we had a robust conversation and Mr. MacCartee, a health insurance broker with many years' experience in the District, raised concerns that the language we were considering at that time may have gone too far in limiting options for people who miss the annual open enrollment period or fail to enroll in their employer sponsored health insurance during its initial offering. For these people, STLD plans may be their only option for coverage until the next open enrollment period either in DC Health Link or their employer coverage. The language we are considering today addresses Mr. MacCartee's concerns and was distributed previously:

The District of Columbia act quickly to limit the expansion of short-term limited duration health plans in the District by enacting legislation, modeled on the new Maryland law, that modifies the definition of "short-term limited duration insurance" to mean health insurance coverage provided under a policy or contract with a carrier that: (1) has a policy term that is less than three months after the original effective date of the policy or contract; (2) may not be extended or renewed; (3) applies the same underwriting standards to all applicants regardless of whether they have previously been covered by short-term limited duration insurance; and (4) provides a prominent consumer disclaimer in the contract and any application materials, in at least 14-point font, stating that the coverage does not constitute minimum essential coverage for purposes of satisfying the individual mandate and other disclosures as the Commissioner may require regarding the scope of short-term, limited-duration coverage, including the types of benefits and consumer protections that are and are not included.

Mr. MacCartee wanted to make sure it was understood that (2) above does not pertain to someone re-applying for a new STLD plan. Howard Liebers (Department of Securities, and Banking – DISB) said that his understanding was in order to prevent that scenario from occurring, additional language would be required. Debbie Curtis, Senior Deputy Director, agreed with Mr. Liebers. She added said that we would be changing the “individual mandate” language to “individual responsibility requirement” as that is the more formal reference. Ms. McAndrew clarified that Ms. Curtis was referring to the individual responsibility requirement that will be enacted by the District.

V. Public Comment

No public comment was proffered.

VI. Vote

Recommendation for District action on Short-Term Limited Duration Health Plans

It was moved and seconded to approve the language of the recommendation set forth above. The motion passed unanimously with Mr. Chandrasekaran, Mr. Dougherty, Ms. Kuiper, Mr. MacCartee, Ms. McAndrew and Ms. Palanker voting yes.

VII. Closing Remarks and Adjourn, *Claire McAndrew, Vice Chair*

The meeting was adjourned at 1:15 p.m.