



## PRESS RELEASE

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# Trump Administration Proposed Regulation Would Disrupt Health Coverage in the District

*New analysis of proposed rule to expand Short-Term Limited Duration health plans shows thousands would leave DC individual market*

**Washington, DC**—A new analysis done for the DC Health Benefit Exchange Authority (HBX) by Oliver Wyman actuaries shows that a Trump Administration proposed rule to expand short-term limited duration health (STLD) plans would have a devastating impact on the District of Columbia's individual health insurance market. The analysis indicates that claims costs in DC could increase up to 21.4% and 6,100 District residents--35% of the individual market--would leave their current Affordable Care Act (ACA) policies if the rule goes into effect. Of those who leave, some will purchase cheaper coverage—with fewer benefits covered—through STLD policies while others will become uninsured. This federal proposal, if adopted, would destabilize the individual private health insurance market, making health insurance more expensive.

The analysis also shows that the devastating impact of STLD plans can be mitigated if the District adopts its own individual responsibility requirement. In that scenario, the claims cost increase is held to 3.1% and 900 people leave DC's individual marketplace. There are also direct steps the District can take to regulate STLD plans to prevent the negative impact of the federal proposal.

*"This is another example of the ongoing attacks on the ACA and policies that destabilize private markets, which put at risk individual health insurance that thousands of District residents rely on,"* said **Mila Kofman, J.D.**, Executive Director of the DC Health Benefit Exchange Authority. *"It is also another example of the importance of having a local individual responsibility requirement along with local standards for short term duration health plans."*

Short-term limited-duration plans are exempt from ACA consumer protections which are applicable to individual health insurance. For example, short-term limited-duration plans exclude coverage for preexisting conditions, use medical underwriting to only cover healthy people and to keep people with medical needs out, cap benefits using annual and lifetime

dollar limits, exclude maternity and mental health from coverage, and do not cover all of the benefits considered “essential.” As a result, these plans do not provide comprehensive health insurance coverage and discriminate against people with preexisting conditions.

The federal proposal reverses Obama Administration restrictions and, if finalized, would cause premiums to increase for people with individual health insurance coverage in DC and cause the individual private health insurance to shrink by more than 35% -- destabilizing health insurance for thousands of District residents.

The ACA individual responsibility requirement was repealed in late 2017 with the passage of the tax cut bill which President Trump signed into law. [During her State of the District address in March](#), Mayor Muriel Bowser announced the inclusion of an individual responsibility requirement for DC residents to obtain health insurance coverage in her proposed budget.

The proposed rule from the U.S. Departments of Labor, Health and Human Services (HHS) and Treasury/IRS regarding expanding STLD plans is the latest attempt by Congress and the Trump administration to dismantle the ACA. The Obama Administration limited STLD plans to less than three months of coverage, and this proposed regulation would reverse that rule and allow these non-ACA compliant STLD plans to cover people for up to 364 days. The new actuarial analysis shows that the STLD plan rule, combined with the repeal of the individual responsibility requirement and the U.S. Department of Labor’s controversial proposed rule on association health plans (AHPs), would result in claims costs increasing up to 31.3% in the District’s individual market if all three policies were fully implemented.

The ACA has enabled the District of Columbia to expand health coverage so that more than 96% of residents are now covered. Currently, the District has the lowest uninsured rate in the city’s history and ranks between first and third (depending on the study) among all states in the nation for having the lowest uninsured rate.

Click [here](#) to view the new Oliver Wyman actuarial analysis.

Click [here](#) to view official comments submitted by the DC Health Benefit Exchange Authority to HHS regarding the proposed rule to expand Short-Term Limited Duration health plans.

Click [here](#) to view official comments submitted by HBX to the Labor Department regarding the proposed rule on AHPs.

*The DC Health Benefit Exchange Authority (DCHBX) is a public-private partnership established to create and operate DC’s state-based online health insurance marketplace, DC Health Link.*

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