Patient Organizations Applaud Proposed Rule to Rein in Short-Term Plans

Washington, D.C., July 7th, 2023

Patient groups applaud the Biden Administration’s newly proposed rule designed to protect patients from short-term health plans, a rapidly growing form of low-quality health coverage. Together, they issue the following statement:

This proposed rule would offer safeguards against short-term health plans, which have proliferated following a 2018 federal rule change that many of our organizations opposed. Though marketed as affordable health insurance, short-term health plans don’t adhere to key consumer protections and leave patients vulnerable to enormous medical bills. The plans are so risky that many of our organizations warned of their threat to patients and repeatedly urged the federal government to take action.

This proposed rule would return short-term health plans to their original purpose: a temporary backstop some consumers may purchase while in between health insurers.

Short-term health plans don’t offer typical health insurance benefits and don’t include consumer protections such as coverage for pre-existing conditions, elimination of annual and lifetime coverage limits, and coverage for
essential health benefits. These plans typically offer few benefits—excluding, for example, coverage for mental health and prescription drugs—and leave patients on the hook for the cost of their treatment. In many cases, the plans are marketed to consumers who don’t understand what they’re purchasing.

Our organizations look forward to reviewing this proposed rule carefully and commenting.