



Support HB 2703 Short-term Health Plans

Short-term Health Plans provide very limited benefits. They do NOT cover preventative services or pre-existing conditions. But for some Oregonians, they are better than nothing. In 2018, some 3,000 Oregonians purchased short-term plans.

Problem

While Oregon has dramatically lowered its uninsured rate, there are still some 230,000 (6%) individuals without insurance coverage. 80% of the uninsured had a gap in coverage ranging from one month to one year.

Examples:

#1. A consumer misses the open-enrollment period at the beginning of a year. Current Oregon law forces them to go without coverage for most of the year while they wait for the next opportunity to sign up for insurance.

#2. A 40-year-old father of two loses insurance coverage mid-year due to non-payment while going through a messy divorce. This is not a qualifying event, so he can't purchase regular insurance and short-term policies in Oregon can only cover three months.

#3. A 64-year old recent retiree needs to bridge the gap until they qualify for Medicare. But they cannot afford the \$1,000 per month premium to buy insurance on the Marketplace. There is no good short-term option for them. Their only options are a three-month short-term policy or to go without insurance.

Solution

Increase the length of short-term policies to 12 months.

Addressing DCBS Concerns

DCBS fears short-term policies might destabilize the individual market and that consumers don't always know what they are buying (i.e., what's not covered) with short-term policies. To address those concerns, HB 2703:

- Limits purchase of short-term plans to one every three years.
- Expires all short-term plans, no matter when they are sold, on December 31 so the policyholder can transition to the individual market.
- Requires agents to complete a certification training, approved by DCBS, before they can sell short-term policies.
- Allows DCBS to clarify in rule the disclosure requirements for agents and carriers selling short-term policies.
- Discourages agents from selling short-term plans by replacing commissions with a one-time \$75 fee.
- Sunsets the availability of 12-month short-term plans on December 31, 2021 during which Health Underwriters will work with DCBS to strengthen the individual market.

Short-term health policies are a last resort for consumers who find themselves with no other viable option. HB 2703 gives agents a tool to help bridge the gap until the next open enrollment period.

Contact: Doug Barber, doug@lobbyoregon.com, 541-221-3072