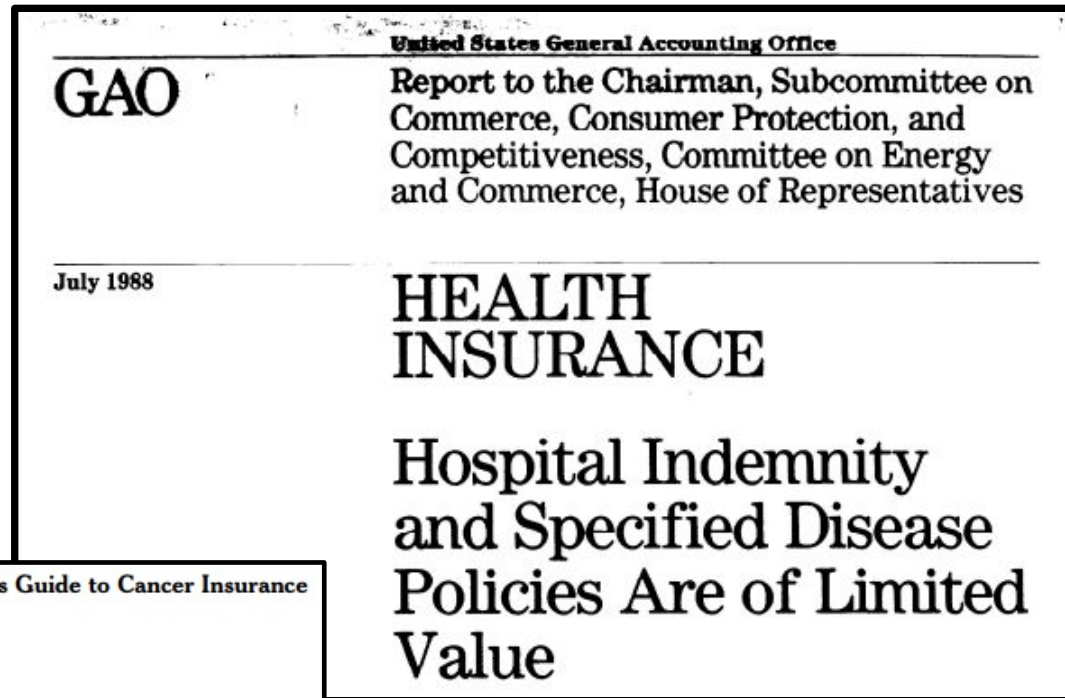


Consumer Perspectives: plans covered by Accident & Sickness Insurance Minimum Standards Model Regulation (#171)

Lucy Culp, The Leukemia & Lymphoma Society
Sarah Lueck, Center on Budget and Policy Priorities

Plans subject to 171

- Intended to supplement consumer financial protections, not provide full medical coverage
- Had a clearer place in the market pre-ACA, still raised concerns about value to consumers



A Consumer's Guide to Cancer Insurance

Table of Contents

Introduction	1
Cancer Insurance is Not a Substitute for Comprehensive Coverage	1
Should You Buy Cancer Insurance? Many People Do Not Need It	1
Caution: Limitations of Cancer Insurance	2

GAO Report. July 1988. <https://www.gao.gov/assets/hrd-88-93.pdf>

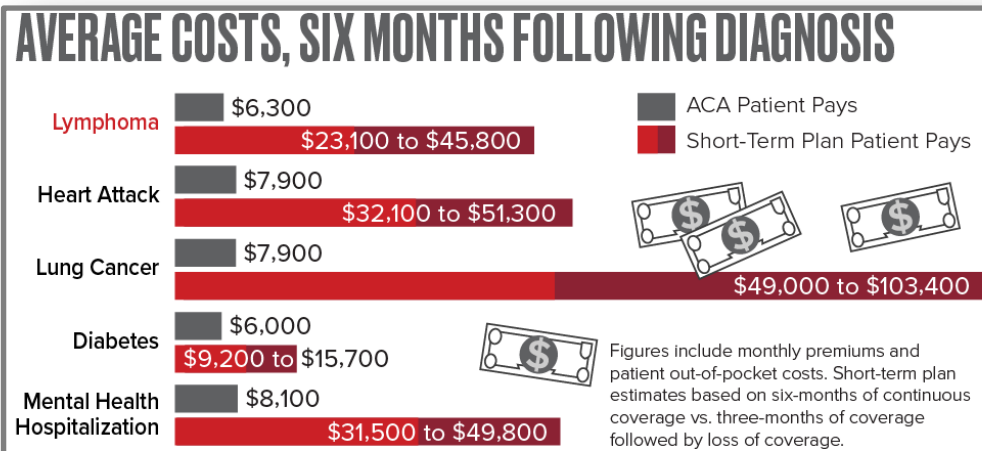
Consumers today have high-quality options

- Guaranteed issue, MOOPs, no annual or lifetime caps
- Young people can stay on their parent's plan until 26
- Pre-existing conditions protected
- Medicaid Expansion
- Marketplaces + ARPA subsidies
- Confusion post-ACA prompted Consumer Rep request for this regulation

ACA Plans Vs. Non-ACA Plans

Required to:	ACA Plans	Non-ACA Plans
Offer coverage to all applicants?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Not charge higher premiums based on health or gender?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cover preexisting health conditions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Cover comprehensive benefits, including prescription drugs, mental health, preventive services, etc.?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Let you keep your plan if you get sick?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Short-Term Plans By the Numbers



Milliman Research Report Commissioned by The Leukemia & Lymphoma Society. *The Impact of short-term limited-duration policy expansion on patients and the ACA individual market.*
<https://www.ils.org/sites/default/files/National/USA/Pdf/STLD-Impact-Report-Final-Public.pdf>

Total Estimated Out-of-Pocket Costs for Patients with COVID-19 Enrolled in the Most Popular Short-Term Plans

State	Patient Costs for Moderate Case (\$30,000)	Patient Costs for Severe Case (\$100,000)
Georgia	\$14,600	\$28,600
Louisiana	\$17,750	\$35,000
Ohio	\$17,750	\$35,000

Sources: Commonwealth Fund. *In the Age of COVID-19, Short-Term Plans Fall Short for Consumers.*
<https://www.commonwealthfund.org/blog/2020/age-covid-19-short-term-plans-fall-short-consumers>

Short-Term Plans By the Numbers

Enrollment is **increasing**

- 3m enrollees in 2019 (up by 27% from 2018)
- 2.2m enrollees through associations (up from 1.7m in 2018)
- Highest in states with no restrictions

Broker-mediated enrollment is **increasing**

- Enrollment by brokers increased by 60% in Dec. 2018 and 120% in Jan. 2019
- Commissions are up to 10x higher

Short-term plans are **highly profitable**

- 57% average loss ratio (80% for ACA plans)

Indemnity plans also raise concerns

- Modern indemnity plans may have features that resemble those of a traditional health plan.
- Complex payment schedules that vary based on specific medical services
- “Networks” of health care providers
- Using the words “insurance,” “health plan” in materials

Figure 3. Excerpts from Fixed Indemnity Plan Benefit Schedules

Surgical Benefits		Choice Value
Outpatient Facility Fee (maximum per calendar-year)	We pay:	\$500 per day (2 days)
Surgeon: 4-Tier Surgical Schedule (unlimited days per calendar-year)¹	Tier 1	\$10,000
	Tier 2	\$5,000
	Tier 3	\$1,000
	Tier 4	\$500
Assistant Surgeon - Surgical Schedule Tiers 1 & 2 only (per day)²	We pay:	20% of surgeon benefit schedule above
Anesthesiologist (per day)	We pay:	30% of surgeon benefit schedule above

DAILY BENEFITS ¹	Plan 1	Plan 2	Plan 3	Plan 4	Plan 5	Plan 6
Availability	Ages 1 - 83			Ages 1 - 64		
Hospital Confinement (Maximum 365 days per confinement.)						
Without Surgery	\$100	\$250	\$500	\$1,000	\$2,000	\$3,000
With Surgery	\$200	\$500	\$750	\$1,500	\$2,500	\$3,500
ICU/CCU Confinement (Paid in lieu of hospital confinement benefit. Maximum 30 days per confinement.)						
	\$200	\$500	\$1,000	\$2,000	\$4,000	\$6,000
Outpatient Surgery (Maximum three days per calendar year.)						
	\$350	\$500	\$750	\$1,500	\$2,500	\$3,500
Continuous Care (Paid in lieu of hospital confinement or ICU/CCU confinement benefit. Care must begin within seven days of a hospital confinement. Maximum 30 days per calendar year.)						
	\$50	\$125	\$250	\$250	\$250	\$250

Laboratory Test and X-Ray Benefit: Pays \$35; limited to 2 payments per covered person, per calendar year.

Medical Diagnostic and Imaging Exams Benefit: Pays \$150 for a covered exam, limited to 2 exams per covered person, per calendar year. Benefits payable for a variety of medical diagnostic and imaging exams, including sleep studies.

Ambulance Benefit: Pays \$200 (ground) or \$2,000 (air) for transportation to or from a hospital. The benefit is limited to two trips, per calendar year, per covered person.

Initial Assistance Benefit: Pays \$100 once per calendar year, per rider, when a covered person requires a hospital admission.

Surgery Benefit: Pays \$50-\$1,000 for a covered surgery. Limited to one payment per 24-hour period, per covered person.

Invasive Diagnostic Exams Benefit: Pays \$100 for one covered exam, per covered person, per 24-hour period.

Hospital Intensive Care Unit Confinement Benefit: Pays \$500 per day, per covered person, for up to 30 days.

Daily Hospital Confinement Benefit: Pays \$100 per day, per covered person, for up to 365 days.

Second Surgical Opinion Benefit: Pays \$50 once per covered person, per calendar year.

HOSPITAL FIXED BENEFITS - FACILITY FEES	BRONZE	SILVER	GOLD
Surgical Procedure: The plan will pay this benefit if any Covered Person undergoes a surgical procedure when performed in a Hospital or in an Ambulatory Surgical Center due to an eligible Injury or Sickness. The reimbursement schedule is the Medicare RBRVS (Resource-Based Relative Value Scale) per procedure based on your provider's location.	1 X the Current RBRVS Schedule	2 X the Current RBRVS Schedule	3 X the Current RBRVS Schedule
Inpatient Pathologist / Radiologist: The plan will pay the daily indemnity benefit if any Covered Person undergoes an Inpatient Pathologist / Radiologist procedure as a result of a Covered Injury or Sickness. The reimbursement schedule is the Medicare RBRVS (Resource-Based Relative Value Scale) per procedure based on your provider's location.	1 X the Current RBRVS Schedule	2 X the Current RBRVS Schedule	3 X the Current RBRVS Schedule
Physicians Care Fixed Benefit Non-Surgical: We will pay the daily Fixed Benefit amount selected for each visit a Covered Person receives from a Physician while confined.	\$50	\$100	\$150
Daily Assistant Surgeon Surgical Services Fixed Benefit: for covered services when performed in a hospital or ambulatory surgical center.	We will pay 20% of eligible surgical benefit payable		
Daily Anesthesia Fixed Benefit: for covered services when performed in a hospital or ambulatory surgical center.	We will pay 25% of eligible surgical benefit payable		

Sources (clockwise): uhone.com, aflacclients.com, americashealthoptions.com, surebridgeinsurance.com

Plans Sold to employees may be just as problematic

Figure 8. Excerpts from Plan Enrollment Materials Presented to Employees

IMPORTANT PLAN INFORMATION: You have two medical plan options. You may enroll in one or both. Additional benefits are available to add if you enroll in the Fixed Indemnity Medical Plan.

Advantages of the Fixed Indemnity Medical Plan

- Covers Day to Day Medical Expenses
- Satisfies the Individual Mandate
- You may still be eligible to receive a subsidy from the health insurance exchange
- Offers Dental, Vision, Term Life and STD

Advantages of the MEC Wellness/Preventive Plan

- Covers Day to Day Medical Expenses
- Satisfies the Individual Mandate
- You may still be eligible to receive a subsidy from the health insurance exchange
- Offers Dental, Vision, Term Life and STD

Health Plan Options Employee KEEPS this page

Two great plans to choose from!

SIGN UP IS AVAILABLE DURING YOUR FIRST 90 DAYS OF EMPLOYMENT

Fixed Indemnity Plan

- ESC Fixed Indemnity Plans starting at \$20.91 per weekly payroll deduction
- Medical, Rx, and Dental Benefits
- Doctor Office Visit Benefit of \$100 per Day
- Wellness Benefit of \$100
- No Pre-existing Condition Limitations
- No Waiting Period or deductibles on Medical
- First Health Network
- Unbound Choices, you can choose without being required to have Medical

New Enhanced MEC Wellness

- MEC Wellness/Preventive Plans starting at \$24.00/week
- Covers 63 mandated benefits AND \$20 Office Visit Co-pay, \$10 Genetic Prescription Drug Co-pay, \$10 CVS Minute Clinic co-pay and more!
- Eliminates employee Individual Mandate tax for those enrolled
- PHCS Network
- Options for Family Coverage
- Weekly Payroll Deduction – Month by Month coverage
- Visit www.esnghealth.com for info and tools

WHAT'S COVERED?

	MINIMUM ESSENTIAL COVERAGE (MEC) BENEFITS
Preventive Benefits	Covers 100% of the cost of certain preventive health services, when delivered by a doctor or provider in your area of residence. Services include but are not limited to: • Pap Smears, Prostate Specific Antigen (PSA) Testing, cholesterol and blood sugar and blood pressure tests • Flu (Influenza) Vaccination for Smallpox, Cancer, Cervical and STD and Osteoporosis, and pregnancy services • All other services, tests and benefits also covered for these preventative, vision and hearing. For a full list, visit TRU.SCOVERSERVICES.COM .
	GROUP LIMITED INDEMNITY (GLI) BENEFITS
Hospitalization	Hospital Indemnity Benefits Benefit amount: Hospital Confinement: Paid (inpatient or inpatient-like for sickness or injury for 90 or more consecutive days) (i.e., not less than a day). Benefit amount: benefit is applied on any other basis for days not covered under this benefit. Hospital Admission: Large sum benefit for a hospital admission, due to sickness or injury. Total sum benefit for benefit of a healthy individual member and benefit is available for member if covered in GLI. Emergency Room Benefits ER for Sickness: Paid (inpatient or inpatient-like for sickness or injury for 90 or more consecutive days). ER for ACCIDENTAL INJURY: Paid (inpatient or inpatient-like for injury (treatment must occur within 72 hours of the accident)). Physician Office/urgent Care Benefits Physician Office/urgent Care: Paid (inpatient or inpatient-like for sickness or injury for 90 or more consecutive days). For services rendered by a physician at physician's office or urgent care facility.

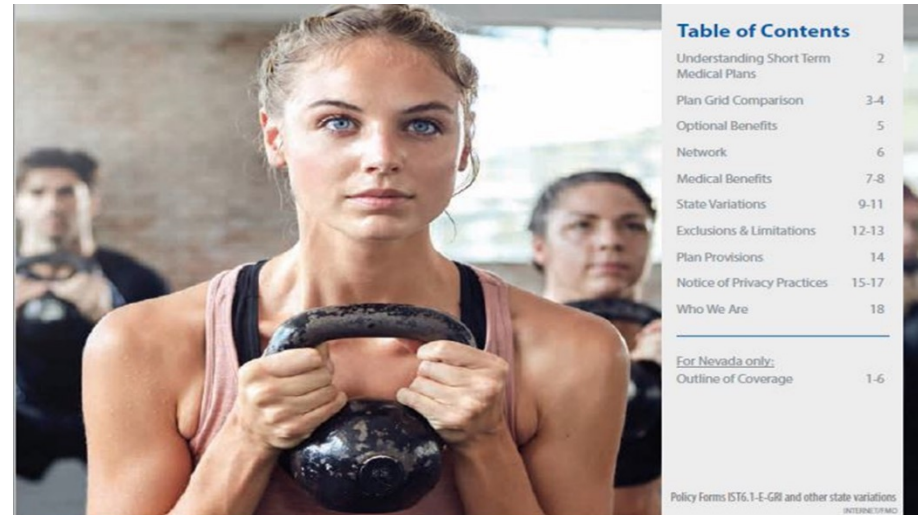
Sources (clockwise): integrativestaffing.com, thehrofficeinc.com, ebview.com

USC Schaeffer

BROOKINGS

Aggressive Marketing and Consumer Confusion

- Multiple studies, lawsuits, and multi-state market conduct exams have documented aggressive sales and marketing practices that mislead consumers
- Even when information is disclosed, consumer testing shows that people do not understand the limits of short-term plans



This coverage is not required to comply with certain federal market requirements for health insurance, principally those contained in the Affordable Care Act. Be sure to check your policy carefully to make sure you are aware of any exclusions or limitations regarding coverage of preexisting conditions or health benefits (such as hospitalization, emergency services, maternity care, preventive care, prescription drugs, and mental health and substance use disorder services). Your policy might also have lifetime and/or annual dollar limits on health benefits. If this coverage expires or you lose eligibility for this coverage, you might have to wait until an open enrollment period to get other health insurance coverage. Also, this coverage is not "minimum essential coverage." If you don't have minimum essential coverage for any month in 2018, you may have to make a payment when you file your tax return unless you qualify for an exemption from the requirement that you have health coverage for that month.

New Study: Aggressive Marketing Continues



Georgetown University Health Policy Institute
CENTER ON HEALTH
INSURANCE REFORMS

Misleading Marketing of Non-ACA Health Plans Continued During COVID-19 Special Enrollment Period

*“Representatives did not disclose accurate information about the affordability of marketplace plans, with one representative saying that marketplace plans **“are just going to end up costing you more money.”** Even though both women were eligible for bronze plans with a \$0 premium and a silver plan with reduced cost sharing that had a \$2 premium...”*

Key Take-aways

- Non-ACA plans covered by Model 171 often pose risks to consumers.
- While some products (such as dental plans) are clearly not comprehensive health coverage, many plans are structured in ways that blur the lines with true health insurance.
- By definition these plans are more limited and have more gaps when compared to traditional health coverage. They often offer lower value to consumers for their premium dollar.
- Too often, these plans are marketed in an aggressive, even predatory manner.
- This market may serve insurers well, but often it does not serve consumers well.

Thank you
