

Gov. allows insurance outside of ACA rules

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Gov. Bruce Rauner has vetoed a bill that would have kept an affordable insurance plan not regulated under the Affordable Care Act away from Illinoisans.

They're called short-term limited duration plans. The bill that Rauner vetoed would have pulled Illinois away from following newly finalized federal rules allowing such plans in the state. The vetoed legislation also would have placed a number of barriers that would have made them unattractive in comparison to the more expensive plans offered via the Affordable Care Act exchange.

In his veto message, Rauner said the bill would have imposed restrictions on people seeking temporary coverage.

"Ultimately, broad restrictions such as those contained in House Bill 2624 will reduce consumer plan choice as well as the availability of STLD options in Illinois," he said. "... We should look to be consistent with the regulatory structures of other states and the federal government, as further regulation will create barriers to Illinoisans' access to the health care plans that best fit their needs."

The bill sought to place caps on the length of these plans as a way to make them too cumbersome to carry on a regular basis. It would have kept the length of coverage to no longer than six months before the plan must be renewed, possibly incurring additional costs.

It also would have required the insured to go without coverage for 60 days before renewing a short-term plan, possibly leaving the person uninsured.

Michael Cannon, director of health policy studies with the CATO Institute, said this inevitably would have left some people to fall ill during the lapse in coverage.

"It makes Obamacare optional," he said in a speech about the availability of the new health plans. "You can still enroll in Obamacare if you want. It will still be there. But people who don't want to enroll in Obamacare don't have to purchase all of the unwanted coverage that Obamacare requires consumers to purchase."

He said the new plans would, in some cases, be 70 percent or 80 percent cheaper than a basic plan offered in an Affordable Care Act exchange.

Supporters of the bill not only warned that the short-term plans were inadequate but they also feared they're low costs would have pulled healthy people from the exchanges that needed them to subsidize higher-cost enrollees.

More than 339,000 people signed up for the ACA Exchange in Illinois for 2018.

In a news release, Democratic candidate for governor J.B. Pritzker said Rauner vetoed “protecting Illinoisans with pre-existing conditions from losing their healthcare coverage.”

The business community hailed Rauner’s veto, saying that the cheaper plans will expand employer-offered coverage from small businesses that couldn’t afford to offer higher-priced plans.