



## Trump Releases Rule for More Affordable Health Insurance Compared to Obamacare

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Aug 1, 2018<sup>5</sup>

The Donald Trump administration released a new rule to offer Americans more affordable, short-term health insurance options compared to Obamacare.

On Wednesday, the departments of Health and Humans Services (HHS), Labor, and Treasury released a final rule that expands short-term, limited-duration health insurance from their previous maximum period of three months. Under the new rule, a short-term health insurance plan can cover a patient for up to a year and can even be extended to a maximum three years.

The Trump administration will help Americans have more affordable health insurance options compared to the skyrocketing premiums and diminishing options on the individual insurance market.

HHS Secretary Alex Azar said in a statement on Wednesday:

Under the Affordable Care Act, Americans have seen insurance premiums rise and choices dwindle. President Trump is bringing more affordable insurance options back to the market, including through allowing the renewal of short-term plans. These plans aren't for everyone, but they can provide a much more affordable option for millions of the forgotten men and women left out by the current system.

The Centers for Medicare and Medicaid Services (CMS) released a report in July that average Obamacare monthly premiums by 27 percent in 2018, which was even higher than 2017's 21 percent rate hike.

Americans who do not receive Obamacare individual premium subsidies would benefit the most from expanded short-term insurance plans. In plan year 2017, which began in November 2016, there was a 20 percent drop in those who enrolled in Obamacare without Affordable Care Act (ACA) without Obamacare subsidies. In six states, unsubsidized Obamacare enrollment dropped by more than 40 percent, including a 73 percent drop in Arizona.

Cato Institute health scholar Michael Cannon suggested that short-term health plans could cost 90 percent less than Obamacare plans.

“We continue to see a crisis of affordability in the individual insurance market, especially for those who don’t qualify for large subsidies,” said CMS Administrator Seema Verma in a statement on Wednesday. “This final rule opens the door to new, more affordable coverage options for millions of middle-class Americans who have been priced out of ACA plans.”

The HHS contends that short-term insurance plans can help Americans between insurance options, such as those between jobs, a student time off from school, or even middle-class families without access to subsidized Obamacare plans.

Short-term health insurance plans do not have to comply with onerous Obamacare insurance regulations, meaning that short-term insurance plan premiums can cost a third of the cost compared to Obamacare plans. The average monthly premium for a short-term insurance plan in the fourth quarter of 2016 cost \$124 per month, while an unsubsidized Obamacare plan costs \$393 per month.

President Donald Trump signed an executive order last October which expanded short-term insurance plans as well as Association Health Plans (AHPs).

Sen. Rand Paul (R-KY) lauded the expansion of AHPs and short-term health insurance as the “biggest free-market health care reform in a generation.”