



## **Biden's new plan threatens health coverage for more than half a million people**

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On Friday, President Biden proposed new health insurance regulations. A good analogy for describing them would be that they are the health insurance equivalent of forcing automakers to rip the airbags and seat belts out of their new cars.

Biden's proposal would eliminate consumer protections, throw sick patients out of their health insurance, and leave them to face sky-high medical bills without insurance for up to one year.

Under current law, consumers can purchase renewable short-term health insurance at premiums up to 60 percent less than plans available through the ObamaCare exchanges. Plans can last up to 36 months. Enrollees can renew their plans for even longer, providing secure coverage for acute and even chronic care episodes.

Biden hopes to limit the maximum length of such plans to four months, to prohibit renewals, and to preserve rules that forbid patients who lose such coverage from enrolling in an ObamaCare plan until the following January.

Under Biden's proposal, consumers who buy a short-term plan then fall ill would lose their coverage when their plan expires within four months. When that happens, they would be unable to re-enroll in new insurance for up to a year. Biden's proposal would turn what would have been insured medical conditions under renewable plans into uninsurable preexisting conditions.

Similar rules left 61-year-old Phoenix resident Jeanne Balvin with nearly \$100,000 in unpaid medical bills. In 2016, over the objections of insurance regulators, President Barack Obama briefly imposed similar rules limiting short-term plans to three months and banned renewals.

In April 2017, Balvin purchased a short-term plan. That June and July, she required multiple emergency surgeries and hospitalizations for diverticulitis. Her short-term plan paid her claims promptly and in full — until Obama's three-month clock ran out at the end of June. When that happened, she lost her coverage and she could not enroll in another plan. Obama's three-month

rule had turned her diverticulitis into an uninsurable pre-existing condition, and Obamacare would not take her until January under its rules for open enrollment.

In short, Obama's rules limiting short-term plans left her sick, uninsured, and with \$97,000 in medical bills.

So much for Biden's campaign promise that, under his presidency, "If you like your...private insurance, you can keep it." His proposal would mandate the very practice of stripping coverage from the sick that he had promised ObamaCare would end.

Overall, the Congressional Budget Office estimates such rules would oust 1.5 million people from their current plans, of which 500,000 would lose coverage entirely.

What's happening is that renewable short-term plans compete with ObamaCare. Indeed, for many families, they are the better option. Biden wants to force people into ObamaCare by crippling the competition.

ObamaCare is offering increasingly low-quality — one might even say "junk" — coverage with sky-high premiums. Coverage for many expensive conditions is growing ever-thinner. Choice of providers and health insurers is dwindling. In 2021, when the average ObamaCare family premium exceeded \$17,000 annually (despite average deductibles near \$8,000), Democrats grew so nervous, they extended premium subsidies to households earning up to \$600,000 per year. The average family premium currently exceeds \$18,000.

In contrast, "short-term, limited duration insurance" offers broader provider networks and as much coverage as consumers want. According to the CBO, they do so at premiums "as much as 60 percent lower" than the lowest-price ObamaCare plans. They can do these things because Congress explicitly exempts short-term plans from the regulations that are dragging down ObamaCare. The CBO and other non-partisan groups estimate that short-term plans reduce the uninsured by between one million and 2.3 million.

In 2018, the Trump administration clarified that federal law leaves consumers free to purchase short-term plans that last up to 36 months, to purchase multiple consecutive policies in advance, and to purchase renewal guarantees.

Renewal guarantees let enrollees keep their health plans — and keep paying affordable, healthy-person premiums — well after they get sick. They can even reduce ObamaCare premiums by keeping sick patients out of ObamaCare's risk pools.

If Biden really wants to protect ObamaCare, he need only sit back and let that happen. Instead, he hopes that limiting short-term plans to four months, banning consecutive policies, and banning renewal guarantees will force consumers into ObamaCare.

Federal law creates no authority for a president to limit, much less ban, insurance renewals or renewal guarantees. In 2020, the U.S. Court of Appeals for the D.C. Circuit rejected a challenge to current rules for short-term plans, ruling that "nothing in [federal law] prevents insurers from renewing expired [short-term] policies."

Indeed, the whole purpose of the regulatory scheme Biden is purporting to implement is to shield sick patients from re-underwriting, not to expose them to it. But the latter is what his proposal would in fact do. If Biden ultimately adopts this proposal, it will be vulnerable to legal challenge.

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