

# Administration Rules in Favor of Short Term Medical Plan, Which Is Good News

*Thoughts from Jeff Smedsrud, CEO of Pivot Health*

A federal court on Friday ruled, as we had expected, that the Trump administration was on very solid legal ground when it allowed short term medical (STM) plans to be available for up to 36 months, subject to state regulations.

This news is good for consumers who benefit from choice and affordability. And, it is good news for brokers and advisors who can feel more confident in offering STM plans to customers with the assurance the judicial system will not stand in the way.

It is also good news that plans can be offered for three consecutive 364-day periods, depending on state regulations. But are 3 X 364-day plans always a good solution for consumers? Not always.

We believe 2 X 364-day plans are a better value for most consumers under the age of 62. There is much historical evidence that suggests that those in the individual health market rarely keep any type of health plan for three years, with the exception of the pre-Medicare market. As such, 2 X 364-plans — which often have a lower monthly premium are more affordable while providing tangible benefits. However, we have found that 36-month plans for the pre-Medicare market are a great option through our package of benefits, the Bridge to Medicare™ Plan.

As for me, I have full confidence in brokers and advisors to explain the options to customers. And, we are fully committed to disclosures and educational information that help consumers make the best possible choices while recognizing the limits of STM plans. Consumers have budgets. They have a need for health insurance. They are able to make good decisions.

Let's feel good about the decision by the federal courts, and then, get back to work serving our customers.

*The purpose of the communication is only for agent training and education and is not to be disseminated to a member of the prospective applicant.*

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