

Short-Term Plan Rule Now Slated For April

By [Amy Lotven](#) / January 10, 2023 at 12:02 PM

•
•
CMS is now targeting an April release for a proposed rule on the sale of short-term limited duration (STLD) health plans, according to HHS' newly released regulatory agenda, a move that stakeholders who support restrictions on the less-generous plans say is long overdue.

The administration revealed the target date in the latest Unified Agenda (Fall 2022) published by the White House Office of Management and Budget (OMB) on Tuesday (Jan. 4).

The past two regulatory agendas had indicated a proposed rule would be out last August, and stakeholders have been wondering why it has not been released.

Short-term plans, which are generally cheaper than unsubsidized comprehensive plans, do not have to follow the Affordable Care Act's consumer protections, meaning they can deny coverage, charge sicker people more for benefits, do not have to cover essential benefits, can set cost limits, and can rescind a policy.

Consumer advocates, Democratic lawmakers and some insurers refer to the short-term products as "junk plans," and have been pushing Biden Administration officials to issue a rule restricting their sale.

Specifically, they have called for a repeal of the Trump administration's rule finalized in 2018 that allows short-term plans to last for up to one year and to be renewed for up to three years, and to either return to the Obama-era policy that restricted plan duration to three months --- or ban the plans' sale entirely.

The administration has consistently indicated that regulations were in the works.

Shortly after the inauguration, the White House issued an executive order mandating review of all Trump-era rules, guidance or other moves that could undermine access to or affordability of health care. The executive order also rescinded a Trump administration order that had laid the foundation for the expansion of short-term plans.

Stakeholders initially expected the rule to come out in 2021. In December of that year, however, the administration released a regulatory agenda showing the rule wouldn't be out until the following August.

A group of Democratic senators in early 2022 pressed HHS Secretary Xavier Becerra to accelerate the timeframe for releasing the rule. "It is our responsibility to ensure that all Americans have access to affordable and comprehensive health care coverage. In order to strengthen that commitment, HHS must act quickly to limit the proliferation and promotion of STLDI plans, and undue the sabotage caused by the previous administration," the lawmakers implored in the letter spearheaded by Sens. Tammy Baldwin (D-WI), Jeanne Shaheen (D-NH) and Chris Murphy (D-CT) and signed by 37 of their colleagues.

But the rule never appeared, and the Spring 2022 regulatory agenda again showed the proposed regulation would be out in August of that year.

According to the new agenda out Jan. 4, the administration now aims to release in April a proposed rule on short-term plans that would "ensure this type of coverage does not undermine the Affordable Care Act, including its protections for people with pre-existing conditions, the Health Insurance Exchanges, or the individual, small group, or large group markets for health insurance in the United States."

While it's unclear what exactly will be in the rule, a consumer advocate hopes that it will limit plans to three months with no renewals, restrict sales during open enrollment, regulate marketing and bar rescissions. Additionally, while advocates strongly feel that disclosures will not protect consumers, they would like the rule to improve upon the existing disclosure standards, the source says.

The source also didn't speculate on why the rule was pushed to April.

"I feel like the most important thing at this point is that we keep to this timeline," the advocate says. "It's already been delayed for months, and patients and consumers can't afford for the timeline to slip further."