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April 20, 2018

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-9924-P
P.O. 8010
Baltimore, MD 21244-8010

Re: Short-Term, Limited-Duration Insurance- CMS-9924-P

To Whom It May Concern:

The Silver State Health Insurance Exchange (hereinafter the Exchange), the state agency tasked by *Nevada Revised Statutes* with oversight and operation of Nevada's public health insurance marketplace, appreciates your consideration of the following comments related to the proposed short-term, limited-duration (STLD) plan CMS-9924-P rule.

The Exchange is deeply concerned about the impact the proposed rule may have on the stability of the individual market. Enacting this rule will not increase access to comprehensive quality coverage—rather, it will likely result in increased premiums for Exchange consumers while siphoning individuals into plans that do not offer comprehensive benefits.

The Departments propose to reverse the 2016 standards for STLD plans, which currently allow such products to a term of less than three months, by allowing these plans to a term of up to 364 days. STLD plans are exempt from consumer protections guaranteed under the Affordable Care Act (ACA); allowing exclusion from coverage based on pre-existing conditions, caps on benefits, annual lifetime limits, and the exclusion of essential health benefits. Consequently, STLD plans do not provide consumers with comprehensive coverage and discriminate against individuals with pre-existing health conditions.

If the rule is to be promulgated as proposed, the STLD plans will likely attract healthy people causing those individuals to leave the marketplace. By using medical underwriting, STLD plans screen and reject individuals with medical needs. Moreover, STLD plans do not cover pre-existing conditions, exclude prescription drugs, maternity care, and mental health benefits, and have annual lifetime limits. Individuals with pre-existing conditions and those who anticipate needing medical care will choose comprehensive coverage not STLD coverage, leaving behind a more sick risk pool which will result in premium increases for all who remain on the Exchange.

The proposed rule will likely reduce enrollment on the Exchange by decreasing affordability for individuals who are not subsidy eligible and who pay the full price for qualified health plans. These lower-middle class individuals have experienced significant increases in premium rates and any additional rate increases may result in dropped coverage due to the prohibitive costs.

Furthermore, the proposed rule will likely cost the federal government a significant amount of money in additional advanced premium tax credit (APTC) payments. Increasing the length of STLD plans will

make them more attractive for healthy individuals, leaving a sicker risk pool in the individual market which will result in increased premiums. As premiums increase, the risk pool will become increasingly unhealthy; this increased cost will be passed on to the federal government in the form of increased APTC payments. The Departments' analysis found that this proposal would result in an increase in APTC payments between \$96 million and \$168 million in 2019 (83 F.R. 7741, 7742).

Finally, some individuals who sell STLD plans have been shown to use misleading marketing practices leading consumers to believe they are purchasing comprehensive health insurance. Changing the length of the STLD plans will likely further exacerbate this problem with some consumers believing that purchasing a STLD plan for 364 days is equivalent to comprehensive health insurance coverage. The Exchange believes that the disclosure requirements outlined in the proposed rule are not adequate to truly protect consumers. It is not reasonable to expect consumers to know what rights they are waiving when selecting a STLD plan. The Exchange believes STLD plan disclosures should list all of the ACA consumer protections that would not apply and explain implications of purchasing a STLD plan including what happens with the policy ends or a consumer has medical claims. The Departments should require strong marketing standards for STLD plans to address the risk of consumers being misled into plans that do not offer comprehensive coverage.

The Exchange looks forward to collaborating with the Departments on efforts that will expand access and stabilize the individual market.

Thank you for your time and attention. Please feel free to contact me should you have any questions or desire any additional information.

Respectfully,

A handwritten signature in black ink that reads "HEATHER KORBOLIC". The signature is written in a cursive style with some capital letters.

Heather Korbolic
Executive Director
Silver State Health Insurance Exchange