April 23, 2018

Ms. Seema Verma
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

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

Dear Administrator Verma,

On behalf of the more than 8 million Americans living with psoriasis and psoriatic arthritis, the National Psoriasis Foundation (NPF) appreciates the opportunity to comment on the Short-Term, Limited-Duration Insurance (CMS-9924-P) proposed rule. As the patient advocacy organization for the psoriatic disease community for more than 50 years, the NPF is keenly aware of the challenges our patient population faces when securing the health insurance needed to access necessary medical care.

We recognize the Administration’s stated goals to increase health insurance choices. However, we have concerns that this proposal would only expand options for those seeking minimal health care coverage while driving up costs and reducing choices for individuals who need more comprehensive care. These plans would not meet the needs of many in the chronic disease community and their proliferation would further destabilize the existing individual marketplaces. We have serious concerns for what this would mean for those Americans with chronic diseases, like psoriasis and psoriatic arthritis, who rely on the comprehensive nature of the current individual market. Expanded enrollment in Short-Term, Limited-Duration (STLD) Insurance plans, in conjunction with the proposed expansion of Association Health Plans, has the serious potential to further bifurcate the health insurance market; leading to ever increasing costs and reduced options for members of the psoriatic disease community and others who must rely on coverage provided via the marketplace.

Background on Psoriatic Disease
The National Psoriasis Foundation exists to drive efforts toward a cure for psoriasis and psoriatic arthritis and to dramatically improve the health outcomes of individuals living with psoriatic disease. Psoriasis is an immune-mediated disease that affects approximately 3 percent of the adult U.S. population, totaling more than 8 million individuals. Up to 30 percent of individuals with psoriasis may also develop psoriatic arthritis, an inflammatory form of arthritis that can lead to irreversible joint damage if left untreated. Beyond the physical pain and discomfort of these diseases, individuals living with psoriatic disease also face higher incidence of comorbid health conditions, including cardiovascular disease, diabetes, hypertension, and stroke. A higher prevalence of atherosclerosis, Crohn’s disease, cancer, metabolic syndrome, obesity and liver disease are also found in people with psoriasis, as compared to the general population. In addition, those living with psoriasis have a 39 percent increased risk of being diagnosed with depression than those without the disease, while the risk of an anxiety diagnosis is 31 percent higher.
As heterogeneous chronic immune-mediated diseases, psoriasis and psoriatic arthritis require sophisticated medical care. Without medical management by dermatologists and rheumatologists as well as the tools to control their symptoms, people with psoriatic disease cycle through periods of intense pain, fatigue, unbearable itch, whole-body inflammation, flaking and bleeding of large swaths of the skin, and joint degradation. Recent research also suggests that the risk for comorbidities such as cardiovascular disease may increase with the severity of psoriatic disease, thereby magnifying the critical need for timely patient access to effective treatment options. Additionally, treatments that work for one person may not work for others, and many patients cycle through numerous accepted treatment options. As medicine becomes increasingly more personalized, we anticipate that far more patients will encounter such situations. Adding to the burden of the disease are insurance policies and practices that erect barriers for patients in urgent need of treatment. These barriers include narrow provider networks, fail-first or step therapy protocols that prevent or delay access to a clinically recommended therapy, increased patient cost-sharing, and a lack of transparency in benefit design.

Risks for Psoriatic Disease Patients in STLD Plans

The expansion of STLD plans could be disastrous for psoriatic disease patients who enroll in these plans or existing plan members who receive a psoriasis or psoriatic arthritis diagnosis during the plan year. As noted above, psoriatic disease is a chronic and complex condition that requires a combination of life-long care and treatments to be well managed. The paltry nature of these plans and the ability for issuers to charge more for, or deny care to, individuals with pre-existing conditions makes these plans unsuitable for those with significant healthcare needs and expenditures.

The proposed rule explicitly states that these plans are “unlikely to include all of the elements of [Patient Protection and Affordable Care Act] PPACA-compliant plans, such as the protections for persons with preexisting conditions, coverage of essential health benefits without annual or lifetime dollar limits, preventive care, maternity and prescription drug coverage, rating restrictions, and guaranteed renewability.” The exclusion of these services could be medically and financially catastrophic for an individual with a psoriatic disease diagnosis or someone newly diagnosed while enrolled in one of these plans. The rule even states, “Consumers…would experience loss of access to some services and providers and an increase in out-of-pocket expenditures related to such excluded services” and that individuals in these plans who develop “chronic conditions could face financial hardship as a result [of being enrolled in one of these plans], until they are able to enroll in PPACA-compliant plans that would provide coverage for such conditions.”

The lack of patient protections means that if a plan member were to develop a condition while on such a plan, he or she may be unable to renew the plan because of an absence of prohibitions on discriminating against persons based on their health status. Relatedly, there is the potential for plan rescissions or plan cancellation if a member submits too many claims, on top of the ability to deny coverage of claims that the plan deems related to a pre-existing condition.

Combined, these factors would be very problematic for patients like those in the psoriatic disease community who rely on health insurance to provide meaningful coverage for medically necessary services. In the past, these plans have often not covered prescription drugs, a point that was highlighted in the rule. A 2017 survey of NPF patient members showed that nearly half of our community takes a prescribed biologic, 50 percent are on a topical medication, and nearly 30 percent rely on prescribed systemic medications (due to combination therapies these numbers don’t add to 100). These patients would be at risk for losing this critical prescription drug coverage in a STLD plan. In the same 2017 patient survey conducted by the NPF, more than a third of our community already indicated they experience financial strain due to the cost of therapies. If this proposed rule moves forward, this number could be expected to increase. Additionally, the increased burden of mental health conditions on our community also means that the lack of mental health care services traditionally offered in these plans would mean patients could go untreated for this serious comorbidity.

We recognize that some Americans do need access to shorter-term insurance to fill gaps between other coverage. However, we believe this increased choice should not come at the cost of comprehensive benefits. We urge the Administration to rethink its approach to this proposed rule and instead consider options that would serve dual goals of increasing consumer choice will still providing meaningful health insurance coverage for those who need it. Specifically, we believe any STLD plan expansion policy should include requirements to ensure PPACA patient protections including coverage of minimum essential health benefits, protections for those with preexisting conditions, and bans on annual...
and lifetime limits. At an absolute minimum, the required notice language that must be displayed in the contract and application materials must be strengthened. As proposed, the language does not adequately describe the type of coverage being offered or the ways this health insurance is different than those plans offered in the individual marketplace. The NPF proposes to further edit the required notice to make it clearer that these plans do not include PPACA patient protections that many now come to expect from a health insurance plan. We suggest the notice should read (addition in italics):

This coverage is not required to comply with federal requirements for health insurance. Principally those contained in the Affordable Care Act, including coverage of the essential health benefits, pre-existing conditions protections, and the ban on annual and lifetime caps on coverage. Be sure to check your policy carefully to make sure you understand what the policy does and doesn’t cover. If this coverage expires or you lose eligibility for this coverage, you might have to wait until an open enrollment period to get other health insurance coverage.

Choosing health insurance plans is complicated for even the most educated individual. The required notice language proposed in the rule is not sufficient to ensure that the average consumer understands the potential coverage and cost implications of enrolling in one of these plans. We urge the Administration to strengthen the notice to limit the number of individuals who mistakenly enroll thinking they will have comprehensive coverage.

We are also concerned that these plans are not subject to the Medical Loss Ratio (MLR) requirements of the individual market. The MLR rules ensure that health insurance companies spend premium dollars on the coverage of health care and not administrative costs or profits. We urge the Administration to amend the proposal to require STLD plans to adhere to the same MLR as is required for PPACA-compliant plans. This would institute an important safeguard to prevent plans from spending excessive resources on overhead.

Additionally, as STLD insurance products are, by definition, short term and limited duration, they do not protect members who become sick while covered (due to their minimal coverage) or after initial coverage expires (because short terms policies are generally not regulated to require guaranteed issue protections). Indeed, the streamlined re-enrollment process discussed in the draft regulation appears calculated to turn STLD insurance into long term coverage. This is contrary to purpose of STLD insurance as stop-gap coverage for consumers during a short transition between more comprehensive coverage. The NPF, therefore, urges the Administration to move forward with a final rule that prohibits renewal of these plans.

Risks for Psoriatic Disease Patients in the PPACA Regulated Individual Market

We are also worried what this proposed rule could mean for those individuals who continue to access health insurance through the individual market. The rule explicitly states that many Americans will need to rely on PPACA-compliant coverage, however, it also outlines the damage these proposals could do to the risk pool and long-term stability of the marketplaces. This is a disastrous combination that will only serve to drive up costs and push people off of comprehensive health care coverage.

Those who access PPACA-compliant plans will face increased premiums and it is unclear how much of this will continue to be offset by a corresponding increase in premium tax credits. For those who do not qualify for federal financial assistance to purchase insurance, there will be no protection from the rising costs that could result from these proposed changes. If the markets deteriorate enough, insurers, as the rule states, could completely exit the individual market, leaving individuals with greatly limited choices for attaining health insurance. This is even more troubling considering the rule also explicitly recognizes that millions of Americans will continue to need PPACA-compliant coverage and will need to access it through the state or federal marketplaces. Since the STLD plans allow for medical underwriting and the exclusion of coverage for benefits, psoriatic disease patients who are forced out of the individual market due to these reforms could be left with no mechanism for attaining care.

The move of healthier, younger individuals to these STLD products could also precipitate the exit of insurers from the individual market. As the individual market grows ever more concentrated on individuals who need meaningful health care coverage, costs will rise for insurers who offer plans in the marketplaces. This cycle of rising costs will destabilize an already unstable market and further exacerbate existing problems. On page 7443, the rule acknowledges this concern...
by stating that the proposed reforms “...could potentially weaken States’ individual market single risk pools. As a result, individual market issuers could experience higher than expected costs of care and suffer financial losses, which might prompt them to leave the individual market.”

We would also like to note that external analyses indicate that the impact on the individual marketplace could be much larger than the rule predicts. A new analysis released on April 12 by Wakely projects much greater erosion to the marketplace than what has been projected in the proposed rule, potentially reducing enrollment by more than 800,000 lives in 2019 and increasing further in future years. This would amplify the already disastrous implications of this proposal on the current individual market.

While these plans could potentially be attractive to younger and healthier individuals, all Americans are simply one chronic disease diagnosis or medical emergency away from needing more comprehensive coverage. The expansion of these plans could expose millions of Americans to financial hardship and the choice of skipping needed medical care because they do not have adequate insurance coverage. The proposed reforms also risk the stability of the PPACA-compliant plan marketplace that this rule explicitly states are needed by millions of Americans with chronic conditions. In the final rule, we urge you to ensure any STDL insurance is required to offer the same patient protections as PPACA-compliant plans and that these plans remain short-term and limited duration without the possibility of renewal. This is what is needed to ensure access to meaningful insurance for those inside and outside of the individual market and the stability of our insurance markets in the long run.

We appreciate your consideration of our comments. If you or your colleagues have any questions, please feel free to contact the NPF by reaching out to Jessica Nagro, Federal Government Relations & Health Policy Manager at jnagro@psoriasis.org or 503.546.5559.

Sincerely,

Patrick Stone
Vice President, Government Relations & Advocacy

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