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EXECUTIVE VICE PRESIDENT, CEO

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June 26, 2018

The Honorable Mike Kreidler
Commissioner
Washington State Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

Dear Commissioner Kreidler:

On behalf of the American Medical Association (AMA) and its physician and student members, I write to state our support for the June 12th Stakeholder Draft for the Short-Term Limited Duration Medical Plan Rulemaking. The AMA is very concerned about the impact of potential federal changes to short-term limited duration insurance (STLDI) requirements and is grateful that your office is moving forward to protect patients in Washington from such changes.

Unlike marketplace plans offered pursuant to the Affordable Care Act (ACA), STLDI plans do not have to comply with the market reforms and consumer protections of the ACA. As such, without state protections, STLDI plans can deny coverage or charge higher premiums based on health status; exclude coverage for pre-existing conditions; impose annual or lifetime limits; have higher out-of-pocket limits than the ACA maximums; refuse to provide benefits such as prescription drugs, maternity, and mental health and substance use treatment; rescind coverage; and not comply with medical loss ratio (MLR) requirements.

As such, the AMA strongly supports your proposal to limit STLDI coverage to three months without renewals. We believe these provisions will maintain the purpose of STLDI plans – to serve as a bridge or stop-gap measure between coverage in plans offering meaningful coverage, recognizing that STLDI, with its limitations, is not meant to serve as comprehensive, long-term coverage. The AMA is also supportive of your proposal to limit the look-back period for any pre-existing medical conditions; as we oppose the ability of plans to discriminate against individuals and cherry-pick enrollees with pre-ACA tactics.

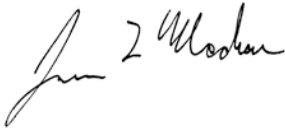
Additionally, the AMA supports the proposed disclosure requirements in order to help patients who may not otherwise fully understand how limited the coverage is until they actually submit a claim. Without these disclosure requirements, patients could frequently be liable for uncovered services or treatments, potentially financially devastating some of the most vulnerable.

The Honorable Mike Kreidler
June 26, 2018
Page 2

Finally, as you move forward with this rule, the AMA respectfully urges you to consider establishing medical loss ratio (MLR) requirements for STLDI plans. MLR requirements under the ACA have proven to be an important tool for regulators to promote value and quality among health insurance plans by encouraging a certain amount of premium dollars being spent on medical care. Moving forward, STLDI plans should be held to similar standards.

The AMA is grateful for your continued leadership and your commitment to ensuring patient's access to care. If you have any questions, please contact Emily Carroll, JD, Senior Legislative Attorney, Advocacy Resource Center, at emily.carroll@ama-assn.org or (312) 464-4967.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L Madara". The signature is written in a cursive, flowing style.

James L. Madara, MD

cc: Washington State Medical Association