

President's Executive Order on Health Insurance Oct. 2017

Presentation by: Betsy Imholz, Consumers Union
National Conference of Insurance Legislators
Annual Meeting
Phoenix, Nov. 18, 2017

3 main parts of Executive Order

- Association Health Plans (AHPs)
- Short-term Limited Duration Plans (STLDPs)
- Health Reimbursement Arrangements (HRAs)

Association Health Plans: What's Old is New Again

- **Executive Order:**
 - Dept of Labor regs within 60 days
 - Allow more employers to form AHPs
 - Potentially , preempt state regulation of self-funded MEWAs
- **The risks: AHPs treated as large-groups plans exempt from ACA rating rules, EHB**
 - Cherry picking healthy groups/individuals
 - Renewed fraud, insolvency concerns
 - Fewer consumers with their rights protected under state law
 - De-stabilize d small-group, individual markets

STLD Plans

- **Executive Order:**
 - Tri-agency regs within 60 days
 - Expand availability of STLD plans
 - Longer duration, renewable
- **Risks: exempt from ACA market rules**
 - Adverse selection, cherry picking healthy individuals
 - Consumer confusion
 - De-stabilizing regulated individual market

For Employers: the HRA

- **Executive Order:**
 - Tri-agency rules within 120 days
 - Expand ability of employers to offer
 - Use in conjunction with individual insurance
- **Impact on individual market unknown**
 - Employers dumping of poor risk?

What can states do?

- **Association Health Plans**

- Assess regulatory framework for in-state and out-of-state MEWAs (If not pre-empted, require compliance with small group/individual market rules; if pre-empted, at least require financial standards for those in-state.)

- **Short-term, Limited Duration Plans**

- Prohibit the sale
- Ban renewals
- Require compliance with all or some ACA market reforms (e.g. EHBs, no medical underwriting)
- Place assessment on STLDPs and invest money in re-insurance
- Require them to meet minimum MLR.
- At the least...
 - Increase disclosures, notice requirements (eg. exclusions, limits)
 - Tag and track consumer complaints

Thank you!

Contact Betsy Imholz at:

Bimholz@consumer.org or 415-431-6747 with
follow-up questions

Visit us at www.consumersunion.org