

# The Need to Stabilize the Individual Insurance Market



Individuals with pre-existing conditions such as cancer need access to comprehensive and affordable health care services. Prior to 2014, insurers could deny coverage to an individual with cancer or charge more for coverage. Now, because of the health care law, people with cancer and survivors are protected against insurance denials due to a pre-existing condition.

However, ACS CAN is concerned that over the past year, policymakers and the administration have taken several legislative and regulatory actions that could make it harder for individuals with pre-existing conditions to obtain health insurance coverage that is adequate, affordable, and available, thereby jeopardizing access to life-sustaining care.

## ***Repealing the Individual Mandate Penalty***

In December 2017, Congress enacted the Tax Cut and Jobs Act, which among other things, repealed the individual mandate penalty as of January 1, 2019. The [Congressional Budget Office](#) (CBO) estimated that repealing the mandate penalty would result in 13 million Americans losing coverage by 2027 and would increase premiums in the individual market. ACS CAN [opposed](#) repealing the individual mandate penalty because it would eliminate a key incentive for individuals to enroll in comprehensive health insurance coverage. Without the requirement to purchase insurance, healthy people tend to avoid buying coverage until they need it, leaving insurance plans to cover a sicker population and driving up costs for everyone in the health care system.

## ***Expanding Short-term, Limited Duration Insurance***

In August 2018, the administration issued a [final rule](#) that would expand access to short-term, limited-duration (STLD) health insurance. ACS CAN is concerned that these policies are exempt from important consumer protections, such as prohibitions on lifetime and annual dollar limits, limits on the use of pre-existing condition exclusions, and the prohibition on charging people based on their health history. Without these protections, individuals could find themselves enrolled in policies that fail to provide coverage of medically necessary services. The Urban Institute [estimates](#) that enactment of the STLD final rule would increase the number of people without comprehensive coverage by 2.6 million in 2019 and could drive up premiums for people in the individual market.

## ***Cutting Navigator Funding***

In July 2018, the administration announced that it intended to significantly reduce funding to Navigators who provide outreach, education, and enrollment assistance to consumers to enroll in Marketplace or Medicaid coverage. The administration intends to reduce funding by [84 percent compared to 2016 funding levels](#). Navigators would also be required to inform individuals about Association Health Plan (AHP) and STLD coverage options – options that likely provide less comprehensive coverage. The concern is that cutting Navigator funding could significantly reduce the number of individuals who enroll in Marketplace coverage.

## ***Encouraging Association Health Plans***

In June 2017, the administration [finalized a regulation](#) that would expand access to AHPs. ACS CAN has long been concerned about AHPs because these plans are not subject to many of the consumer protections provided in the individual and small group markets – like the requirement that plans provide

access to Essential Health Benefits (EHBs). These plans tend to attract younger and healthier individuals, leaving older and sicker individuals in the ACA-compliant individual and small group markets. The final rule estimated that 4 million individuals would choose to enroll in AHPs, of which 3.6 million would be dis-enrolling from other (possibly more comprehensive) coverage. This could drive up premiums in the individual market and could leave millions of Americans without comprehensive health insurance coverage.

### ***Cumulative Impact***

The cumulative impact of these proposals jeopardizes a cancer patient's access to the kind of care they need and undermines the stability of the individual insurance market. For example, the Urban Institute [estimated](#) the combined effort of eliminating the individual-mandate penalty and finalizing the STLD rule as proposed would increase ACA-compliant plan premiums by an average of 18.3 percent in the 45 states that do not already prohibit or limit these plans.

### **ACS CAN Policy**

Adequate, affordable, and available health insurance coverage is critical for individuals with cancer and survivors. ACS CAN calls on policymakers to support public policies that:

1. Provide cancer patients and survivors access to affordable, comprehensive health care;
2. Stabilize the individual and small group markets; and
3. Protect patients from discrimination against pre-existing conditions.

To that end, ACS CAN supports establishing reinsurance programs, limiting the availability of expanded short-term, limited-duration insurance policies, and increasing funding for navigators.