EYE ON CANCER CARE

The Availability of Junk Plans Harm Cancer Patients

American Cancer Society Cancer Action Network

fightcancer.org

Issue

Access to affordable, comprehensive health care coverage is crucial for cancer patients and survivors. Health insurance status is a strong indicator of cancer survival, as uninsured individuals are less likely to receive routine cancer screenings, increasing the risk of late-stage cancer diagnoses that are more difficult and costly to treat.[1,2] Gaps in coverage can also lead to significant financial burden for patients – nearly half of cancer patients and survivors (47%) have faced medical debt related to their cancer.[3]

Affordable Care Act (ACA)-compliant health insurance ensures coverage of a comprehensive set of benefits, such as emergency services, prescription drugs, and physician visits. Included in that coverage are nearly a dozen patient protections for cancer care.[a] To ensure that people with cancer – as well as those with other serious illnesses – have coverage for the services they most need, it is imperative that these insurance protections be maintained and guaranteed in all insurance plans. Unfortunately, changes in federal law, most notably the repeal of the ACA's individual mandate in 2019, led to a proliferation of noncompliant "junk plans" that fail to provide the coverage cancer patients (including those with undiagnosed cancer) need.[4]

Junk plans pose a significant risk because, while marketed as cheaper insurance options, the plans fail to offer comprehensive benefits – often excluding coverage of essential health benefits such as emergency services, preventive and wellness services, and prescription drugs – and engage in medical underwriting to deny coverage. Because they are not ACA-compliant, these plans can refuse coverage for pre-existing conditions and arbitrarily revoke coverage, leaving beneficiaries vulnerable to medical and financial harm. For instance, if an individual is diagnosed with colon cancer in the first six months of coverage, a junk plan issuer could cite prior unexplained stomach issues to cancel the policy or deny coverage of the cancer treatment.[5] When this occurs, consumers have limited options for recourse when their coverage is dropped or denied because consumers are not guaranteed the same protections as in ACA-compliant coverage. In most instances, federal and state insurance regulators have little or no ability to oversee and monitor these plans. Many consumers don't know about these kinds of limitations prior to purchasing coverage and find themselves stuck with an inadequate plan. Junk plans include but are not limited to Farm Bureau plans (FBPs), health care sharing ministries (HCSMs), short-term limited-duration (STLD) plans, and association health plans (AHPs).[b]

[a] ACA-complaint health insurance includes patient protections such as no- or low-cost coverage for preventive services (e.g., cancer screenings including breast, cervical, lung, and colorectal, and vaccination for Human papillomavirus (HPV)), caps on annual out-of-pocket costs for in-network essential health benefits, required coverage of laboratory services and hospitalization, prohibitions on annual and lifetime dollar limits on coverage for essential health benefits, required availability of dependent coverage until age 26, and a ban on denying coverage for pre-existing conditions like cancer.
[b] Indemnity products, which supplement traditional insurance coverage but are often marketed as stand-alone products, are considered outside of the scope of this paper.

Description of the Most Common Types of Junk Plans

Type	Description
Farm Bureau Plans (FBPs)	FBPs are products offered by state farm bureaus; enrollment is not limited to the farming community. These plans are specifically exempt from state insurance requirements, effectively removing them from many of the consumer protections established in state insurance law.[6]
Health Care Sharing Ministries (HCSMs)	HCSMs were originally intended to be an option for people who typically share religious beliefs. Recently, proliferation of HCSMs has expanded beyond the religious community. In HCSMs, members contribute monthly payments to cover other members' health care expenses. There is no guarantee of payment for health care claims.[6]
Short-Term Limited-Duration (STLD) plans	STLD health plans provide limited coverage for a short duration and can only provide three months of coverage as of October 2025. For example, someone with a lapse in employment might turn to one of these plans.[7]
Association Health Plans (AHPs)	AHPs are a type of group health plan that could be offered by an employer or an association. AHPs are subject to large group standards, meaning they do not necessarily have to comply with all the ACA consumer protections. For example, large group plans do not have to offer essential health benefits.[6]

Junk Plans Lack Essential Consumer Protections

Type	Prohibition on coverage recissions*	Premium rating rules **	Prohibition on pre-existing condition exclusions ***	Minimum actuarial value****	Essential health benefits†	Annual cost-sharing cap††	Preventive services with no cost sharing†††
FBPs	X	X	X	X	X	X	X
HCSMs	X	X	X	X	X	X	X
STLD plans	X	X	X	X	X	X	X
AHPs	✓	X	✓	X	X	✓	✓

Note: This list of consumer protections under the ACA is non-exhaustive.
* Prevents plans from retroactively canceling a beneficiary's coverage after they receive care.
** Prohibits plans from charging higher premiums because of an individual's health status and gender.
*** Prohibits insurers from denying an enrollee coverage due to their pre-existing conditions.
**** Requires plans to have at least 60% actuarial value, meaning they cover that share of an enrollee's medical costs.
† Mandates that plans cover 10 essential health benefits – hospitalization, ambulatory services, emergency services, maternity and newborn care, mental health and substance abuse treatment, prescription drugs, lab work, recommended preventive services, pediatric dental and vision care, and rehabilitative and habilitative services – for all enrollees.
†† Requires insurers to cap annual out-of-pocket costs for essential health benefits.
††† Requires insurers to cover specific in-network preventive services with no cost sharing.

These plans leave cancer patients dangerously unprotected. An ACS study found that weakened federal oversight of STLD plans in states with limited safeguards was associated with more late-stage cancer diagnoses.[8] Many junk plans delay or withhold payment, creating additional barriers to care, and some – particularly AHPs and HCSMs – have a history of insolvency and fraud that has left policyholders with millions in unpaid medical bills due to inadequate consumer protections.[7,9] Consumers are frequently misled into purchasing these plans, mistaking them for ACA-compliant coverage due to deceptive marketing. For example, individuals searching online for "Obamacare plans" are often steered toward websites and brokers selling non-ACA compliant plans.[10]

Even when asking the right questions in advance, 92 percent of Americans believe that consumers can still be deceived into purchasing inadequate coverage.[11] As a result, many state insurance departments have issued warnings about these plans' deceptive marking practices.[12] Some state courts have reached similar conclusions highlighting the confusion consumers experience.[7]

These plans appeal to consumers because they are cheaper – an industry survey found that most people purchase short-term policies for the lower price.[13] However, junk plans can offer lower pricing by providing fewer benefits and excluding or denying claims for individuals with pre-existing conditions.[7] But consumers who purchase these plans and are then diagnosed with cancer often show up for treatment only to find out that the services they need are not covered. One FBP enrollee undergoing chemotherapy was denied coverage for an ancillary treatment that their oncologist recommended, given the enrollee's three-hour commute to treatment, three children, and responsibilities on a farm. Their condition worsened, requiring an emergency life flight and a four-day hospital stay for treatment. The FBP covered only $8,000 of the life flight, leaving the enrollee with more than $40,000 in medical bills that could have been avoided if the initial ancillary treatment had been covered.[14]

Further, because junk plans are allowed to deny coverage, they can cherry-pick healthier enrollees which destabilizes the Marketplace and leaves sicker individuals, including cancer patients, with higher premiums and fewer plan options. More individuals are expected to gravitate towards these plans following the passage of the 2025 Budget Reconciliation legislation, which the Congressional Budget Office (CBO) estimated would increase the uninsured population by 10 million by 2034 through major cuts to Medicaid and changes to the Marketplace.[15]

Federal Action: Federal oversight has been inconsistent across administrations. For STLD plans, federal regulators in 2016 determined that these plans were negatively impacting ACA risk pools and implemented regulations to curtail their availability.[16] The current administration reversed course in 2017, extending their duration from three to twelve months and allowing renewals up to three years, despite 98 percent of comments on the proposed rule by health care groups being critical of the policy.[16] The administration also expanded access to AHPs with a 2018 rule making it easier for small businesses to form AHPs.[7] A federal court blocked key provisions of the rule in 2019, and the administration formally rescinded that rule it in 2024.[17,18] In the same year, the administration again tightened restrictions similar to the 2016 regulations, capping STLD coverage at three months with opportunity for a renewal limited to a total of four-months maximum period.[19] The administration earlier this year announced that it would not enforce violations of the 2024 STLD rule pending further rulemaking.[20] These regulatory changes illustrate how differing policy approaches across administrations have impacted the availability of these plans. Federal oversight could address inter-state sales of these products and discrepancies in policies across states.

State Action: State regulation of junk plans varies widely and are limited by the types of plans they can regulate, including in some cases those that cross state lines. Most state rules focus only on basic benefit standards and disclosure requirements, though some have adopted stronger protections.[21] For instance, only about half of states impose restrictions on STLD plans.[6] States can set minimum standards for junk plans, or in contrast, create exemptions. In the case of HCSMs, no state currently treats them as insurance, and further, 30 states have rules that exempt them from state regulation.[22] Similarly, as of 2025, fourteen states – Alabama,[23] Arkansas,[24] Florida,[25] Indiana,[26] Iowa,[27] Kansas,[28] Mississippi,[29] Missouri,[30] Nebraska,[31] North Dakota,[32] Ohio,[33] South Dakota,[34] Texas,[35] and Tennessee[36] – exempt FBPs from their insurance codes, meaning they are not subject to the same consumer protection requirements as ACA-compliant plans.

Proposals to Address Junk Plans

Addressing the spread of junk plans requires coordinated federal and state action to ensure all individuals – especially those with cancer – can access affordable, comprehensive coverage. Policy proposals generally fall into five categories: establishing stronger standards, improving ACA coverage affordability, enhancing market oversight, strengthening oversight of brokers, and prohibiting junk plans altogether. Both federal and state governments can tighten regulations and reduce the harm these products pose, particularly for people with pre-existing conditions.

At the federal level, Congress can establish standards for junk plans. This change could enable policymakers to regulate junk plans' sale and marketing, strengthen consumer protections, and provide clearer legal pathways to challenge denied claims or coverage rescissions. Limiting or prohibiting the sale of junk plans moves beyond oversight into direct regulation. For example, by restoring strict limits on the duration and renewability of STLD health plans in 2024, the administration aligned regulation with the intended role for short term plans as temporary coverage, not a substitute for comprehensive insurance.

Federal officials can also make junk plans less appealing by improving the affordability of Marketplace coverage. Expanding and extending the enhanced ACA health care tax credits has been a key step, enabling access to comprehensive coverage for cancer prevention, detection, and treatment.[37] Marketplace enrollment has more than doubled over five years, rising from 11.4 million in 2020 to 24.3 million in 2025 thanks to measures that support affordability.[38]

Federal and state regulators often lack reliable data – particularly on FBPs and HCSMs – making it difficult to track enrollment, marketing practices, and coverage offerings to inform policy decisions. In 2020, after a year-long investigation, the U.S. House Committee on Energy and Commerce issued a report on junk plans, though it focused solely on STLD coverage, this report demonstrates how lawmakers can gather data and exercise oversight of these plans.[39]

Regulatory oversight of junk plans is further complicated by agents and brokers, who are often motivated by higher commissions to steer consumers toward these inadequate products, often using high-pressure or misleading tactics to suggest the plans meet consumers' health coverage needs.[6] Some policymakers have suggested that agents and brokers have a role in disclosing to potential buyers the limitations of STLD plans[40] and information about the availability of Marketplace plans (with tax credits for those who qualify) before they are allowed to sell a non-ACA-compliant plan.[41] Additionally, states could share information on broker oversight to prevent bad actors identified in one state from exploiting markets elsewhere.

With limited and unsteady federal oversight of junk plans, states have taken the lead in setting stronger protections. Some states, particularly those that bar STLD plans from discriminating based on health status or require health insurance to meet minimum coverage standards, such as Massachusetts, have effectively ended sale of these plans as carriers have withdrawn from the market.[42] As of 2024, five states – New York, New Jersey, Massachusetts, Rhode Island, and Vermont – have gone further by prohibiting the sale of SLTD plans altogether.[8] Several states have rejected legislative proposals to allow the sale of unregulated farm bureau health products. At the same time, states have also prioritized consumer protection through education, with Colorado, Florida, and Maine issuing consumer advisories prior to and during the open enrollment period to help consumers understand their coverage options and to look out for predatory practices. To improve oversight, Maine mandates annual reporting on premium revenue and Colorado requires STLD plan sellers to submit their rates annually to provide transparency on which services are covered or not.[10] To address the use of brokers, some states have improved transparency on broker practices. For example, California requires brokers to be exchange certified and report the number of HCSM memberships they sell annually.[43]

Policy Recommendations

Individuals with or at higher risk of developing pre-existing conditions, including cancer, need access to affordable, high-quality health coverage. Non-ACA-compliant plans fail to provide essential coverage for cancer prevention, detection, and treatment, placing cancer patients and survivors at significant medical and financial risk. ACS CAN recommends that:

- Federal and state governments strictly limit or prohibit the sale of non-comprehensive health insurance;
- Both federal and state governments require non-comprehensive plans to adhere to all the same rules as ACA-compliant plans;
- States investigate the harms of junk plans and assess the impact of non-comprehensive coverage on their populations and Marketplace risk pools;
- States mandate agents and brokers selling junk plans disclose data on the types of non-ACA compliant plans sold and the methods used to market them; and
- Both federal and state governments require junk plan issuers to report data on number of enrollees, claims history, and appeals/exceptions information.

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