

August 28, 2023

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W., Room 445-G
Washington, DC 20201

RE: Short-term, Limited-duration Insurance; Independent, Non-coordinated Expected Benefits Coverage; Level-funded Plan Arrangements; and Tax Treatment of Certain Accident and Health Insurance

Dear Administrator Brooks-LaSure:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, including approximately 90 that offer health plans, and our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, we thank you for the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) proposed changes on how certain forms of noncomprehensive coverage, including short-term, limited-duration plans, can be marketed and sold.

The AHA has long advocated for limiting the availability of substandard health plans, such as short-term, limited-duration plans, and better educating consumers about the narrow circumstances in which such coverage may be appropriate. We strongly support CMS' proposal to limit these types of plans and require clear, consumer-friendly notices in their marketing materials. As CMS notes, these "plans" provide inadequate access to care and can subject patients to greater out-of-pocket spending when illness or injury occur. Patients enrolled in these products often find themselves surprised to be without coverage for emergency services, cancer care and hospital stays, among other services, due to misleading marketing practices. We commend CMS for taking this important step to restrict these types of plans beyond their intended purposes as doing so would create a much clearer distinction between these products and comprehensive coverage. However, we encourage CMS to ensure upon finalizing this proposal that the changes do not impede health insurance coverage innovations that could provide appropriate coverage through



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non-traditional structures. In addition, we support CMS' proposal to require a straightforward notice in these products' marketing materials stating that they do not provide comprehensive coverage and offering information on how to purchase comprehensive coverage on [healthcare.gov](https://www.healthcare.gov).

Relatedly, the AHA is committed to ensuring that comprehensive coverage is affordable and works well for consumers, and we are deeply concerned with both the amount and the complexity of patient cost sharing even in ACA-compliant health plans. **To that end, we urge CMS to consider other gaps in coverage that subject patients to unaffordable cost sharing and address them in future rulemaking.** For example, we increasingly are hearing reports of commercial health insurers implementing convoluted policies — such as mid-year coverage changes, excessive application of prior authorization, and complex cost-sharing and network structures — that leave patients unsure of whether their care will be covered.

One of the most concerning trends is the growth in adoption of high-deductible health plans and the deductible amounts. These types of products are often marketed — inaccurately — as more cost-effective options for lower income individuals and families. As a result, many people only realize when they need care that their health coverage does not cover as much as they thought, subjecting them to unexpected medical bills. This can create undo financial and emotional stress and contributes to medical debt. We urge the agency to take steps to simplify cost-sharing structures and reduce the amounts owed out of pocket.

We look forward to continuing to partner with CMS to make comprehensive health insurance coverage accessible and affordable for patients. Please contact me if you have questions, or feel free to have a member of your team contact Ariel Levin, AHA's director of coverage policy, at 202-626-2335 or alevin@aha.org.

Sincerely,

/s/

Stacey Hughes
Executive Vice President