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April 23, 2018

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**Re: CMS-9924-P: Short-Term, Limited-Duration Insurance, Proposed Rule**

Dear Administrator Verma, Acting Commissioner Kautter, and Assistant Secretary Rutledge:

The American Kidney Fund (AKF) appreciates the opportunity to provide comments on the proposed rule that would amend the definition of short-term, limited duration insurance for the purposes of its exclusion from the definition of individual health insurance coverage.

The American Kidney Fund is the nation's leading independent nonprofit organization working on behalf of the more than 30 million Americans with kidney disease. For the past half-century, AKF has existed to help people fight kidney disease and live healthier lives. We provide a complete spectrum of programs and services: top-rated education materials; free kidney disease screenings in numerous cities across the nation; clinical research funding; and need-based financial assistance enabling one in five U.S. dialysis patients to access lifesaving medical care, including dialysis and transplantation.

AKF opposes the proposed rule due to the adverse impact it would have on access to affordable, comprehensive coverage for individuals with chronic conditions and the instability it will cause in the Affordable Care Act (ACA) marketplaces. We believe it is imperative to ensure patient protections for people with chronic conditions such as kidney disease, so that individuals have access to the coverage

and services they need to manage their conditions. While not perfect, the ACA and its insurance reforms have been a lifeline for people with chronic diseases and their families.

Short-term, limited-duration insurance plans are not a realistic option for people with chronic conditions. Because these plans are not considered individual health insurance coverage, they do not have to comply with ACA market reform rules. Short-term plans can exclude coverage for preexisting medical conditions; do not have to comply with ACA rating rules; can exclude coverage of essential health benefits; can rescind or decline coverage; impose onerous deductibles and cost-sharing obligations beyond the out-of-pocket maximums for ACA-compliant plans; and apply annual and lifetime coverage limits. Short-term plans are also not subject to the ACA single risk pool requirement or risk adjustment program. A person with a chronic condition would most likely be denied coverage for a short-term plan, or if they were offered one, it would be associated with a high premium. Conversely, short-term plans can offer lower premiums for younger and healthier individuals.

The proposed rule acknowledges that because short-term plans can be designed and priced to draw younger and healthier consumers, and that they are likely to enroll in these plans, this would weaken states' individual market single risk pools. In addition, the siphoning of healthier consumers from the ACA risk pools could be exacerbated because short-term plans do not have to comply with medical loss ratio requirements. Insurers can therefore pay higher commissions to agents and brokers for these plans, incentivizing them to aggressively market short-term insurance over ACA-compliant coverage. The result would be higher premiums for people who need the comprehensive coverage of an ACA-compliant plan and reduced choice as some insurers experience higher than expected costs of care and exit the market.

We understand that the proposed rule's objective is to provide more affordable consumer choice for health coverage, but we believe that the proposed changes to short-term plans, especially in conjunction with other recent actions affecting health insurance markets, will result in more harmful consequences than benefits. Specifically, jeopardizing the stability of the ACA marketplaces and access to affordable, meaningful insurance coverage for people with chronic conditions such as kidney disease.

AKF appreciates the opportunity to submit comments on the proposed rule, and we urge the Departments to withdraw the rule due to the disproportionate negative impact it would have on the coverage and care for people with chronic diseases. Thank you for your consideration of AKF's comments and concerns.

Sincerely,



LaVarne A. Burton  
President and CEO