

AFL-CIO

LEGISLATIVE ALERT

October 29, 2019

Dear Senator:

On behalf of the AFL-CIO, I am writing to urge you to support S.J. Res. 52 to repeal rules issued by the Trump Administration that erode important consumer protections provided in section 1332 of the Affordable Care Act (ACA). The new rules are part of a broader effort by this Administration to sabotage the ACA by increasing enrollment in short-term health plans that lack protections for preexisting conditions and often fail to cover common health care needs like prescription drugs, maternity care or hospitalization. These junk health plans threaten the health and financial well-being of all families but are particularly risky for women and people with common conditions like diabetes, heart disease, and high blood pressure.

On October 22, 2018, the Department of Treasury and the Department of Health & Human Services (HHS) issued guidance redefining “coverage” to make it easier for states to sell plans that do not comply with the ACA rules requiring essential health benefits. The new guidance issued jointly by Treasury and HHS is yet another under the radar attempt to do administratively what the Administration lacked the votes to do in Congress. The guidance violates the ACA, which requires any state seeking a waiver under section 1332 to demonstrate that it would provide coverage that is at least as comprehensive in terms of covered benefits.

Allowing states to expand the sale of junk health plans could endanger the health security of approximately 135 million people under the age of 65 who have a pre-existing condition. Even when a short-term plan covers prescription drugs, it may cap the benefit at an amount as low as \$3,000. Such plans also have a history of finding ways to deny coverage after people become sick – by bringing back annual and lifetime caps on the amount of care a patient receives. The results would be financially disastrous for millions of workers.

We believe this guidance is one of several steps the Administration has taken over the last three years to put comprehensive and affordable coverage out of reach for many Americans, especially those with chronic and pre-existing conditions. These plans put insurance companies back in charge, not consumers.

We urge you to support this resolution that would repeal policies by the Trump Administration that expose consumers to higher costs and allows states to use federal taxpayer dollars to subsidize inadequate plans.

Sincerely,



William Samuel
Director, Government Affairs