



February 26, 2019

The Honorable Andrea Salinas  
Chair, House Health Care Committee  
State Capitol  
Salem, Oregon 97301

**RE: House Bill 2703 – Short term health insurance policies**

Dear Representative Salinas and members of the committee:

Providence Health & Services is committed to ensuring that Oregonians have access to high-quality, affordable healthcare, especially the poor and vulnerable. As drafted, House Bill 2703 would hinder our ability to do so by undermining the stability of the individual market and exposing Oregonians who chose short-term plans to the risk of coverage gaps and catastrophic health care costs. For these and the reasons stated below, Providence opposes House bill 2703 as drafted and strongly urges the Committee to join us.

Current law in Oregon restricts the sale of short-term limited duration plans to 3 months or less. However, HB 2703 would allow insurers to offer short-term limited duration plans for up to one year. This is likely to make short-term plans seem, at least on the surface, more similar to comprehensive ACA-compliant health coverage. But that is far from the case. Short term plans do not have to cover ACA essential health benefits, such as maternity, mental health care and prescription drugs, and they often don't. Short term plans can also deny coverage or charge higher prices to people with pre-existing conditions and they typically don't cover medical services related to a pre-existing condition. Nevertheless, short term plans are likely to offer healthier people lower premiums (due to the reduced benefits and underwriting). This could lead some healthy individuals away from the Individual and small group markets, leaving those with health conditions behind in the ACA compliant market. This dynamic increases premiums and reduces affordability for those in the ACA compliant market and exposes those in the short term market to coverage gaps and significant costs if they get sick and need care.

Providence understands that one of the reasons that short-term plans are attractive is because they offer year-round enrollment and some consumers may find themselves without health coverage outside of ACA open enrollment. However, while these plans are readily available they are not comprehensive, lack in value relative to premiums assessed, and are likely to expose enrollees to significant costs if they need care. We believe that there are better options than short term plans to accommodate individuals who find themselves without health coverage outside of ACA open enrollment and we would like to work with the legislature and stakeholders to develop a solution.

Thank you for the opportunity to provide comments and we look forward to further discussion.

Sincerely,



Michael White, CFO  
Providence Health Plans