



June 16, 2020

The Honorable Richard E. Neal
Chairman
U.S. House of Representatives
Committee on Ways and Means
Washington, DC 20515

Dear Chairman Neal:

Thank you for your letter regarding the Idaho Health Insurance Exchange and the State of Idaho's efforts to make available enhanced short-term plans in 2020. The Secretary asked that I respond on his behalf. I share your goal of ensuring access to quality, affordable health coverage for all Americans.

Consumers and small businesses in every state (including the District of Columbia) can obtain health and/or dental insurance coverage through Individual or Small Business Health Options Program (SHOP) Health Insurance Exchanges, operated by states through State-based Exchanges (SBEs), or operated by the Federal government through the Federally-facilitated Exchanges (FBEs). On January 3, 2013, the Centers for Medicare & Medicaid Services (CMS) informed Idaho of CMS's conditional approval for Idaho to establish an SBE. Idaho's Exchange, called Your Health Idaho,¹ began enrolling consumers into qualified health plan (QHP) coverage beginning with the 2015 plan year Open Enrollment Period.² Once approved or conditionally approved, CMS continuously works with SBEs to ensure they are operating consistent with federal laws and requirements.

In order for a health plan to be offered on an Exchange, it must comply with applicable market rules and QHP certification requirements. On December 16, 2019, the Idaho Exchange concluded its annual Open Enrollment Period for the 2020 plan year. CMS has confirmed that during the 2020 Open Enrollment Period, as with all previous Open Enrollment Periods, only certified QHPs were available on the Idaho Exchange. CMS will continue its monitoring of the Idaho Exchange, along with all other SBEs, to ensure compliance with applicable federal requirements.

Regarding short-term, limited-duration insurance, the Departments of Health and Human Services, Labor, and the Treasury (the Departments) published a final rule on August 3, 2018 that amended the federal definition of short-term, limited-duration insurance to permit an initial coverage period of less than 12 months, and renewal for a maximum duration of up to 36

¹ Your Health Idaho's website can be found at: <https://www.yourhealthidaho.org/>.

² The 2015 Open Enrollment Period ran from November 15, 2014 through February 15, 2015.

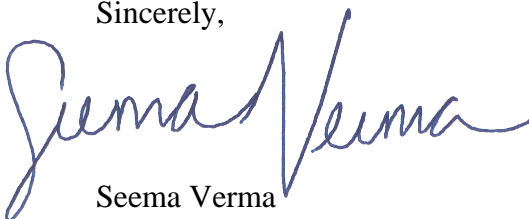
months.³ The Departments' rule increases access to additional, more affordable coverage options, and will likely increase the availability of coverage for people who cannot otherwise afford or obtain individual health insurance coverage and who may otherwise have gone uninsured.

Short-term, limited-duration insurance has existed for decades – including during the previous Administration – offering flexible and affordable coverage for Americans and their families. Because such coverage is excluded from the definition of individual health insurance coverage, it is not required to comply with the federal market requirements for such health insurance coverage. In the final rule, the Administration instituted more robust notice requirements to inform consumers about the potential limits of this insurance. The final rule requires issuers to include a disclosure in the contract and in any application enrollment materials informing consumers that these plans are not subject to the same federal insurance market regulations as individual health insurance coverage. While short-term, limited-duration insurance is exempt from the Public Health Service Act's (PHS Act) requirements for individual health insurance coverage, it is generally subject to state regulation.

CMS is committed to supporting state efforts to develop innovative solutions in response to market-specific needs. CMS generally defers to state enforcement of PHS Act requirements with respect to health insurance issuers in their individual and group markets. In the event that a state notifies CMS that it does not have statutory authority to enforce or that it is not otherwise enforcing one or more of the provisions of title XXVII of the PHS Act, or if CMS determines that the state is not substantially enforcing the requirements, CMS has the responsibility to enforce these provisions in the state. While the Idaho Exchange Board has been discussing ways to expand access and coverage options to its unsubsidized and uninsured residents, as noted above, we confirmed that only certified QHPs have been sold on Idaho's Exchange. We also have not found evidence that Idaho is currently failing to substantially enforce applicable federal requirements.

Thank you again for your letter and interest in this issue. Should you have any additional questions, please contact the CMS Office of Legislation.

Sincerely,



Seema Verma

³ *Short-Term, Limited-Duration Insurance*; Final Rule, 83 Fed. Reg. 38212 (August 3, 2018).