



Support for Short-term Insurance Plans and HB 2053

Kansas Legislature House Committee on Insurance
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We all share one common goal for our health care system: to give Americans more options to purchase good, affordable coverage that's right for them. At OSP, we care about this goal a lot. We've seen desperate families who currently can't afford health insurance—and you know many of these people. You've met them while knocking on doors in your district. You've heard their stories. That's why we support HB 2053, to give more flexible affordable insurance plans to Kansas families.

Short-term insurance plans are not for everyone. But for many they are an effective bridge for those between jobs or transitioning out of the military back to school or work.

For example, a 40-year-old female from Overland Park who does not smoke would pay an average of \$509.32 per month in the individual market.ⁱ At that price, there's a good chance she'll simply decide to go without coverage at all.

Something has to change. And you have the opportunity to change it with this bill.

By expanding access to short-term plans, you can set the stage for more, affordable health care choices for families in Kansas with no cost to taxpayers and help these middle-class working adults.

The 40-year-old woman from Overland Park would save \$363 per month on average when compared to individual market plans. That's a savings of 71 percent.ⁱⁱ

And it's not just about saving money. It's about offering more choices for patients—for people in your district. Nationally, eight times as many plans are available in the short-term market as the individual market.ⁱⁱⁱ In Overland Park, 24 short-term plans are available, when compared to only 11 in the regular individual market. Even more options will enter the short-term insurance market if you expand their length, which benefits families.

Short-term plans offer more choices and affordability. And perhaps best of all, they're not complicated. It's as easy as going to a website or a health insurance broker—any time—comparing plans and buying the one that is right for the consumer. They last up to one year and, if Kansas chooses to expand access to these plans, they can be renewed up to three years, which is what HB 2053 accomplishes. Twenty other states already allow short-term plans to last up to 36 months. It provides peace of mind of coverage for up to 36 months.

With short-term plans a 26-year-old won't have to worry about going uninsured while he goes from his first job with no benefits, to a job that has coverage.

A single mom will be able to leave her bad work environment without worrying about how she'll find health insurance for her family while she looks for another job.

Let's say a man retiring at 62 wants to spend more time with his grandkids. He'll now be able to buy insurance before Medicare kicks in in just a few years.

Health care is the single largest deduction in people's paychecks—we all notice how much we're spending on it. But think of what people in your district could do with the money they would save every month. They could invest it in their children, or they could put it towards education or training to get a better job. They would have more new options because you helped them where they need it most.

This is an opportunity that people want. 63 percent of all voters support short-term plans.^{iv} You have the public's support on this issue—so please consider voting to make these plans for consumers more flexible. There are no new rules that need to be written and no money that needs to be spent to get these plans in place.

You can put thousands of dollars back in the hands of the residents of Kansas by voting yes to short-term plans. By supporting short term plans, you're not just giving people in your district the ability to buy affordable health coverage again—you're giving them a choice again.

ⁱ This data is originally from Agile Health. See Jonathan Ingram's memo, Appendix 1 to fill in the blanks: <https://thefga.org/wp-content/uploads/2018/10/Short-Term-Plans-memo-DIGITAL-file-10-30-18.pdf>.

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ⁱⁱⁱ Same source, Agile Health. But appendix 2 of the FGA memo (link above) has a breakdown.

^{iv} This poll was conducted by FGA in November 2018 and is available here: <https://thefga.org/poll/voters-support-short-term-insurance-plans/>.