



# Trump Administration Extends Short Term Health Plans

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## Final rule expands access to temporary health plans that are not compliant with Affordable Care Act.

On Wednesday, August 1st, the Trump Administration released a rule that will expand the sale of health insurance policies that do not comply with the Affordable Care Act (ACA). The Trump administration believes the short term plans will provide additional options for many people struggling to find an alternative to the high premiums on the ACA plans.

Under the new rule, insurance companies will be allowed to issue the plans for up to 364 days at a time. The short term plans had been limited to 3 month durations under the Obama Administration. Under the Trump administration's rule, insurance companies will also be able to offer renewal of these plans for up to 36 months.

While temporary health plans usually have lower premiums than ACA plans, consumers will need to be aware of the coverage drawbacks. Temporary plans generally do not cover pre-existing conditions, preventative care or maternity. They also ask health questions and can decline to offer a policy based upon their underwriting guidelines. Most short term policies limit the total the insurance company will pay toward covered claims (usually \$1-\$2 million), ACA plans do not have a limit. The Trump administration expects many will be willing to accept the streamlined coverage in exchange for the lower monthly premium.

We now wait to see how the insurance companies will interpret and implement the new rule.

Please contact us with any questions or for assistance!



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