

116TH CONGRESS
1ST SESSION

H. R. 1143

To amend title XXVII of the Public Health Service Act to require a health insurance issuer offering short-term limited duration insurance to include a standardized disclosure and certain information with respect to coverage exclusions and premium variations in marketing, application, and enrollment materials distributed in connection with such insurance and prohibiting the sale of such insurance during certain periods.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2019

Ms. ESHOO introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XXVII of the Public Health Service Act to require a health insurance issuer offering short-term limited duration insurance to include a standardized disclosure and certain information with respect to coverage exclusions and premium variations in marketing, application, and enrollment materials distributed in connection with such insurance and prohibiting the sale of such insurance during certain periods.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Educating Consumers
3 on the Risks of Short-Term Plans Act of 2019”.

4 **SEC. 2. REQUIRING A HEALTH INSURANCE ISSUER OFFER-**
5 **ING SHORT-TERM LIMITED DURATION INSUR-**
6 **ANCE TO INCLUDE A STANDARDIZED DISCLO-**
7 **SURE AND CERTAIN INFORMATION WITH RE-**
8 **SPECT TO COVERAGE EXCLUSIONS AND PRE-**
9 **MIUM VARIATIONS IN MARKETING, APPLICA-**
10 **TION, AND ENROLLMENT MATERIALS DIS-**
11 **TRIBUTED IN CONNECTION WITH SUCH IN-**
12 **SURANCE AND PROHIBITING THE SALE OF**
13 **SUCH INSURANCE DURING CERTAIN PERI-**
14 **ODS.**

15 (a) IN GENERAL.—Subpart II of part A of title
16 XXVII of the Public Health Service Act (42 U.S.C.
17 300gg–11 et seq.) is amended by adding at the end the
18 following new section:

19 **“SEC. 2730. INFORMATION REQUIRED TO BE INCLUDED IN**
20 **MARKETING, APPLICATION, AND ENROLL-**
21 **MENT MATERIALS DISTRIBUTED IN CONNec-**
22 **TION WITH SHORT-TERM LIMITED DURATION**
23 **INSURANCE; LIMITATION ON ENROLLMENT**
24 **PERIOD.**

25 “(a) PROVISION OF INFORMATION.—

1 “(1) IN GENERAL.—A health insurance issuer
2 offering short-term limited duration insurance shall
3 include in any marketing, application, or enrollment
4 materials distributed by such issuer in connection
5 with such insurance, in a prominent location set
6 apart from other information—

7 “(A) the standardized disclosure estab-
8 lished by the Secretary under paragraph (2);
9 and

10 “(B) a list of all medical conditions, in-
11 cluding both physical and mental health condi-
12 tions—

13 “(i) which may result in an individual
14 being denied the ability to enroll under
15 such insurance;

16 “(ii) for which such issuer may apply
17 a preexisting condition exclusion (as de-
18 fined in section 2704(b)(1)) with respect to
19 an enrollee under such insurance;

20 “(iii) which may result in an increase
21 in premium amounts for such an enrollee
22 compared to what such amounts would
23 have otherwise been for such enrollee ab-
24 sent such condition; or

1 “(iv) for which such issuer may termi-
2 nate coverage under such insurance with
3 respect to such an enrollee.

4 “(2) ESTABLISHMENT OF DISCLOSURE.—For
5 purposes of paragraph (1)(A), the Secretary shall es-
6 tablish a standardized disclosure with respect to
7 short-term limited duration insurance offered by a
8 health insurance issuer that includes the following
9 information:

10 “(A) A notification that such insurance
11 may not cover preexisting conditions of an en-
12 rollee, including past physical or mental health
13 conditions, regardless of whether such enrollee
14 was aware of such conditions or had sought
15 treatment for such conditions on or before the
16 date of enrollment in such insurance.

17 “(B) A notification that such issuer may
18 rescind coverage under such insurance if an en-
19 rollee seeks treatment for such a preexisting
20 condition, regardless of whether such enrollee
21 was aware of such condition or had sought
22 treatment for such condition on or before the
23 date of enrollment in such insurance.

24 “(C) A notification that such insurance
25 provides limited benefits compared to individual

1 health insurance coverage and does not include
2 all benefits required to be covered under the
3 Patient Protection and Affordable Care Act (in-
4 cluding the essential health benefits package (as
5 defined in section 1302(a) of such Act)) or
6 under this title.

7 “(D) A notification that coverage under
8 such insurance is temporary and may not cover
9 the costs of an enrollee for most hospital or
10 other medical items and services, including both
11 physical and mental health items and services.

12 “(E) A notification that an individual
13 should carefully review the benefits provided
14 under such insurance before enrolling in such
15 insurance.

16 “(F) A notification informing individuals
17 of the opportunity to purchase comprehensive
18 individual health insurance coverage through
19 Exchanges established under the Patient Pro-
20 tection and Affordable Care Act that provides
21 coverage for preexisting conditions without pre-
22 mium increases for such conditions and for
23 which such individuals may be eligible for finan-
24 cial assistance. Such notification shall include

1 information on how such individuals may access
2 such Exchanges.

3 “(b) LIMITATION ON ENROLLMENT PERIOD.—A
4 health insurance issuer offering short-term limited dura-
5 tion insurance may not enroll any individual in such insur-
6 ance during any annual open enrollment period applicable
7 to such individual with respect to an Exchange.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) ENFORCEMENT.—Section 2723 of the Pub-
10 lic Health Service Act (42 U.S.C. 300gg-22) is
11 amended—

12 (A) in subsection (a)—

13 (i) in paragraph (1), by inserting “, or
14 short-term limited duration insurance in
15 the State,” after “group market”; and

16 (ii) in paragraph (2), by inserting
17 “(or, in the case of such a failure with re-
18 spect to section 2730, in connection with
19 short-term limited duration insurance)”
20 after “individual health insurance cov-
21 erage”; and

22 (B) in subsection (b)(1)(B), by inserting “,
23 short-term limited duration insurance,” after
24 “individual health insurance coverage”.

1 (2) PREEMPTION.—Section 2724(a)(1) of such
2 Act (42 U.S.C. 300gg-23(a)(1)) is amended by in-
3 serting “or short-term limited duration insurance”
4 after “group health insurance coverage”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this section shall apply with respect to marketing, applica-
7 tion, and enrollment materials distributed in connection
8 with short-term limited duration insurance on or after
9 September 1, 2019.

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