



Governor Ron DeSantis
State of Florida
The Capitol
400 S. Monroe St.
Tallahassee, FL 32399-0001

May 3, 2019

Dear Governor DeSantis,

On behalf of those living with cystic fibrosis (CF), the Cystic Fibrosis Foundation urges you to oppose legislation expanding access to short-term limited duration (STLD) health insurance plans and association health plans (AHPs) in Florida by vetoing SB 322.

Cystic fibrosis is a life-threatening genetic disease that affects approximately 1,600 Floridians and 30,000 children and adults in the United States. CF causes the body to produce thick, sticky mucus that clogs the lungs and digestive system, which can lead to persistent lung infections and respiratory failure. Treatments and medications must be taken regularly throughout the patient's entire life, which can result in significant medical costs for people with CF and their families. For people with CF, access to adequate, affordable coverage is a necessity. While progress has been made in treating the disease, there is no known cure.

Short-term limited duration (STLD) plans segment the market and increase costs for people with CF.

Allowing short-term and association health plans to proliferate would force individuals who purchase marketplace coverage, including those with serious or chronic conditions like CF, into a smaller, sicker market with higher premiums. STLD health insurance plans are meant to be temporary solutions to brief gaps in coverage, not permanent alternatives to affordable, adequate health insurance plans. These cheaper, bare-bones plans attract younger and healthier individuals, increasing costs for people with CF who require more comprehensive coverage.

SB 322 expands availability of STLD plans by extending the maximum duration of these plans to twelve months and permits STLD plans issued for less than one year to be renewed for up to 36 months. This bill would put some people living with CF, a population already facing substantial health care costs for vital treatments, at greater risk of increased premiums and losing their access to affordable coverage. The bill also allows insurers to deny STLD plan applicants because of a pre-existing condition.

Association health plans (AHPs) often offer inadequate coverage and are not required to cover essential health benefits (EHBs).

SB 322 will also support the proliferation of association of health plans. Currently, only employers who share a common trade or business interest can establish AHPs and the association must serve a primary purpose other than the provision of health insurance benefits. This bill would allow employers who do not operate in the same trade or industry to form an AHP. SB 322's provisions around AHPs are largely premised on the U.S. Department of Labor (DOL)'s federal guidance, which a federal judge recently found to be unlawful and struck down.



AHPs target younger, healthier workers for their plans and by cherry picking their enrollees, they exclude businesses with workers who are more likely to have pre-existing conditions or be sicker, older, women, or more at-risk. While the goal of AHPs is often to offer cheaper coverage to employees, these plans often offer skimpier coverage and are not required to cover essential health benefits (EHBs).

SB 322's proposed protections for people with pre-existing conditions are an inadequate replacement for the safeguards in current law.

Lastly, the safeguards for people with pre-existing conditions presented in SB 322 fall far short of the patient protections encompassed in existing law:

- Although SB 322 bans insurance companies from denying coverage based on an enrollee's pre-existing condition, it does not protect patients from exposure to higher premiums based on their health status.
- SB 322 does not ban lifetime and annual caps on coverage, which could leave people with CF exposed to significant financial risk: 45 percent of people with CF spend \$5,000 or more annually in out-of-pocket costs for copayments, coinsurance, and noncovered services, according to a survey of over 2,500 people living with CF.
- This bill also does not require health insurance companies to cover essential health benefits vital to people with cystic fibrosis, including mental health services and prescription drugs.
- Lastly, because states do not have authority to govern self-insured plans, state legislation cannot extend pre-existing condition protections enshrined in current law to all plans offered in the state.

We share your interest in continuing to make health insurance accessible to Americans with pre-existing conditions, but this bill is not an adequate replacement for the protections provided under current law. To effectively safeguard Floridians living with CF and other pre-existing conditions, we ask that you direct Attorney General Ashley Moody to withdraw Florida as a plaintiff from the *Texas v. U.S.* lawsuit to remove the threat posed by this lawsuit.

By opposing this bill, you will help prevent rising health care costs for people living with CF and other pre-existing conditions who rely on marketplace coverage. We urge you to veto SB 322.

Sincerely,

Mary Dwight
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CC: Mary C. Mayhew, Secretary of the Agency for Health Care Administration
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