CALIFORNIA LEGISLATURE BANS SHORT-TERM HEALTH INSURANCE.

Source: San Francisco Chronicle

The California Legislature has passed a bill banning the sale of short-term health insurance plans — a type of insurance the Trump administration is seeking to expand. The bill, SB910, authored by State Sen. Ed Hernandez (D-West Covina), was approved by the Senate on Monday and the Assembly last week. It will need the signature of Gov. Jerry Brown to become law.

Short-term plans are generally cheaper but do not need to cover all the benefits required under the Affordable Care Act, such as preventive care, essential health benefits and protections for people with pre-existing conditions. An estimated 10,000 people in California are currently enrolled in such plans.

The U.S. Department of Health and Human Services this month finalized a rule extending the amount of time consumers can be on short-term plans from three months to almost 12 months, after which they can be renewed for up to three years. However, the HHS rule allows states to regulate the sale of such plans on their own terms.

California had long capped the amount of time consumers could be on short-term plans to six months; the Obama administration limited it even further, to three months. Hernandez’s bill eliminates the sale of such plans altogether, for any amount of time.
If Brown signs the bill, California would join a handful of states, including New Jersey, Massachusetts and New York, that have severely restricted or banned short-term plans, according to the California Health Care Foundation.

If the bill becomes law, it would take effect in January 2019. Californians would still be able to buy short-term coverage — if they are in between jobs, for instance — through the state insurance exchange Covered California, or directly from health insurers like Blue Shield or Kaiser. These plans do comply with Affordable Care Act consumer protections like essential health benefits. Consumers would be able to do this at any time during the year, not just during annual enrollment, because losing job-based coverage counts as a qualifying life event.