

PUBLICATION

Senate Fails to Advance Measure to Restrict Expansion of Short-Term Health Plans

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On October 10, 2018, Senate Democrats pushed for a largely symbolic vote to overrule the Trump Administration's expansion of short-term health plans that failed to advance in the Senate on a 50-50 tie vote. Led by Senator Tammy Baldwin (D-WI), Democrats filed a discharge petition in the Senate to force a vote to overturn the Administration's final rule that allows the sale of short-term plans that may last up to three years and that are not required to meet the Affordable Care Act's (ACA) coverage requirements. Senator Susan Collins (R-ME) joined all 49 Democrats in voting in favor of the measure. However, Senator Lisa Murkowski (R-AK), who considered the other potential swing vote, ultimately voted in opposition along with all other Republicans. Although the resolution failed, Senate Democrats intend to tie the vote on short-term plans to broader warnings about protections for pre-existing conditions in advance of the midterm elections.

The Trump Administration's final rule to expand the availability of short-term, limited duration insurance (STLDI or short-term plans) went into effect on October 2, 2018. The final rule allows individuals to enroll in short-term plans for an initial period of less than 12 months, compared to less than three months previously, and renew those plans for a maximum duration of 36 months in total. Short-term plans are not required to meet the ACA's comprehensive coverage standards, including providing coverage for individuals with pre-existing conditions. The Trump Administration and some Republican lawmakers argue that expanding short-term plans will provide more affordable coverage options, create greater flexibility for individuals transitioning between coverage options, and promote more market competition. In contrast, Democrats and some health insurers assert that the new regulation will likely increase premiums and destabilize the individual market further by siphoning off younger and healthier consumers.

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