

September 28, 2021

President Joe Biden
The White House
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear President Biden:

We commend and share your goal of strengthening Americans' access to quality, affordable health care and reducing disparities in our health system. This pandemic has laid bare the health inequities that have long existed in our country, and we have a collective responsibility to address them. Your administration now has an opportunity to make the system work better for people who need it the most. We applaud what you have done to date, but there is much more to do.

As you know, the previous administration took multiple actions that undermine the quality and reliability of health coverage – particularly for our most vulnerable populations. We were pleased that among your first acts in office, you signed Executive Order 14009, directing federal agencies to review specific new health care regulations for possible revision or rescission. These Trump-era rules governing Short-Term Limited Duration Insurance (STLDI) and Individual Coverage Health Reimbursement Arrangements (ICHRA) threaten the progress the country has made to strengthen the quality of health coverage and prohibit discrimination in the system.

As part of your efforts to strengthen the Affordable Care Act (ACA) and reduce health inequities, we strongly urge you to rescind these misguided regulations and restore the protections that existed prior to these Trump-era policies. As your administration works to expand access to quality coverage, these actions would represent a meaningful and important step toward preventing the widening of the chasm of health disparities in America and provide support for our most vulnerable populations. In short, we strongly believe that STLDI and ICHRA plans undermine the goals and spirit of the ACA.

Short-Term Limited Duration plans widen health disparities, plain and simple. These plans have historically filled narrow gaps in coverage, such as a transition between jobs. The previous administration's rules, however, extend the length that such plans can be sold from three months to up to three years – straining the definition of "short-term." The products typically do not protect against pre-existing conditions, have significant limits on the amount and types of care they cover, and can leave low-income Americans facing enormous and unanticipated medical bills. As a result of the new regulations, these short-term "junk insurance" plans are now being marketed as an alternative to comprehensive and ACA-compliant plans, despite being a hollow instrument with limited coverage.

The Individual Coverage Health Reimbursement Arrangement (ICHRA) system erodes the quality and affordability of health coverage for workers and low-income entrepreneurs. Under Trump Administration rules, ICHRAs allow workers to be divided into classes, with some

receiving traditional job-based health insurance and others forced to find coverage on their own using a voucher-like instrument for reimbursement. The rule will not effectively protect against using this scheme to put employees with higher health care costs and comorbidities in reimbursement plans, while lower-cost, healthier ones remain in large group plans that typically have more robust coverage. By allowing more costly workers to be dumped into the individual market, it floods the risk pool of the ACA exchanges and increases costs for everyone who relies on the individual marketplace for coverage. It's also not good for small businesses who rely on a fair and equitable system to provide robust coverage options for their employees. This will also likely lead to increased premiums in the small group market, which is of particular concern as small businesses are our nation's biggest employer, and already face higher insurance costs that make it difficult for them to offer quality coverage.

By prioritizing the reversal of both the STLDI and ICHRA rules, your administration can make meaningful progress to protect workers and small businesses, boost quality of coverage, and restore a degree of fairness in health care. You have the opportunity to install protective guardrails to prevent increasing health disparities that have long existed and were only exacerbated by the pandemic. We, the undersigned organizations, support your efforts to undo the damage of these regulations and build a stronger and more equitable health care system.

Sincerely,

AIDS United
American Nurses Association
Business Forward
Community Catalyst
Keep US Covered
Little Lobbyists
National Association of Chronic Disease Directors
Small Business Majority

CC Secretary Xavier Becerra, U.S. Department of Health and Human Services
Secretary Marty Walsh, U.S. Department of Labor
Commissioner Charles Rettig, Internal Revenue Service