Community Catalyst

Case Study:

A STATE CAMPAIGN TO LIMIT SHORT-TERM PLANS

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Short-term, limited duration insurance plans (STLDI) have existed in insurance markets across the country for decades. Prior to the passage of the Affordable Care Act (ACA), these plans often served as a short-term coverage option for people experiencing temporary gaps in coverage. While STLDI plans can appear to offer coverage similar to the comprehensive coverage a consumer might be familiar with, like employer sponsored coverage, these plans are usually limited to coverage for less than a year, cover significantly fewer benefits and can deny consumers coverage based on pre-existing conditions.

Thanks to the coverage expansions and insurance market reforms of the ACA, consumers now have a place to go for comprehensive coverage, regardless of their health status, during times of transition or for year-round coverage. In this context, STLDI plans have even more limited utility and actually threaten the stability of the ACA's comprehensive coverage market. As such, the Obama administration issued regulations in 2016 that, among other protections, limited the duration of STLDI plans to three months. However, in 2018 the Trump administration issued final regulations rolling back these protections.

As the primary regulators of insurance markets, states have the ability to limit or even eliminate the sale of STLDI plans. Last year states across the country took steps to create state-level protections to mitigate the harm caused by the Trump administration's actions. The following is a case study of how consumer health advocates in Illinois, supported by the strategic coaching and technical assistance of Community Catalyst, were able to seize a window of opportunity to launch a successful campaign to pass legislation to limit the sale of STLDI plans in their state.

For more information on policy options and considerations to restrict the sale of STLDI plans, check out Community Catalyst's resource, The Advocate's Guide to: Short-Term, Limited Duration Insurance.

The Campaign Roadmap

The path to victory in Illinois is rooted in Community Catalyst's system of advocacy – the bringing together of six organizational capacities to achieve change. In this case, advocates utilized: understanding the opposition to inform a campaign strategy, leveraging key stakeholder and coalition alliances, analyzing policy options, generating grassroots actions and creating a successful media strategy.

Before we dive into the specifics of the campaign, it's important to understand the political backdrop and the state environment impacting health care policy decisions at that time. After the 2018 midterm elections, the state of Illinois regained a Democratic stronghold across all six statewide elected offices. However, during the time of this campaign Governor Rauner, a Republican who was running for reelection, was leading the state with an administration health advocates found to be uncooperative on most proactive health care issues throughout his term. The state legislature held a Democratic majority in both chambers, but passing legislation regulating the sale of insurance was not a guaranteed victory as the insurance industry is one of the most powerful lobbies in the state. As a result, there are a plethora of resources working to influence members of the IL General Assembly and the Governor's office.

Although Illinois's ACA marketplace (a state-federal partnership utilizing the federal healthcare.gov platform) was relatively stable at the time, the two previous plan years suffered from double-digit rate increases. Knowing that an influx of STLDI plans into the market would likely exacerbate the affordability problem and destabilize the marketplace, the consumer advocacy community, in partnership with a key insurance industry ally, set out to regulate and limit the sale of STLDI plans in Illinois.

Understanding the opposition to inform a campaign strategy.

The opposition to limiting STLDI plans, generally speaking, was life insurers, some insurance carriers, brokers (though they didn't publicly oppose the bill until after it was sent to the Governor), and the Illinois Department of Insurance (DOI). DOI opposition seemed to be reflective of the politics of the Rauner administration at that time, though they participated in negotiations, along with some other opponents, and eventually came to neutral.

The opposition's two biggest arguments against limiting STLDI plans in the state were that some consumers might be enrolled in STLDI plans with no other options along with the simple fact that these plans were the most affordable option for some consumers. These issues – and the fact that many consumers still do not know that Special Enrollment Periods (SEPs) into the marketplace might be available to them during times of transition – were used as ammunition by the opposition. They were also hurdles that the advocates had to overcome within their own coalition before launching their campaign.

From a policy perspective, the affordability argument could be countered with an explanation of insurance risk pools: If STLDI plans can discriminate and only enroll healthy consumers, and those consumers leave the ACA's risk pool, this will cause premiums to go up for those who remain and rely on the ACA's comprehensive coverage. Therefore, STLDI plans are not a viable solution to an affordability problem.

However, when considering circumstances under which a consumer might not have any other plan option to turn to, the issue becomes more complicated. Data on how many people are covered under these plans is hard to acquire in most states because state insurance departments don't regulate them in the same way as traditional health insurance plans. When the Illinois advocates sent a Freedom of Information Act (FOIA) request to DOI with questions about the STLDI plans sold in the state, the DOI indicated that it "does not maintain data on the number of policies sold in Illinois." At the same time, the FOIA request *did* show that the DOI collected information on the number and types of consumer complaints on STLDI plans, which helped bolster the point that STLDI plans are not an effective coverage option. Within a 5 year period, there were 174 complaints – the most frequent (67 complaints) being characterized by the Department as "Denial of Claim (e.g., Exclusions, Pre-Existing Conditions)" and the second most frequent (44 complaints) being "Unsatisfactory Settlement."

The advocates also discovered a popular short-term plan sold in their state by United Healthcare known as the "Golden Rule" plan. A careful look at the fine print of this plan helped the advocacy community understand that even if a consumer is covered by one of these plans, it's coverage in name only. The list of exemptions and circumstances under which services wouldn't be covered rendered the plan meaningless. Utilizing the fine print of this plan became critical to garnering media attention and ultimately convincing legislators who might have been on the fence.

Leveraging key stakeholder and coalition alliances.

A robust statewide coalition of health care advocates, providers, consumers and workers coupled with an influential ally, the state Blue Cross Blue Shield (BCBS) plan, were key to the success of this campaign. In the wake of President Trump's election and the fight to preserve the ACA in 2017, the advocacy community in Illinois created a new coalition called Protect Our Care Illinois. This coalition served as a vehicle to generate stories and grassroots action during critical times in the campaign.

Long-standing policy and advocacy organizations in Illinois such as the AIDS Foundation of Chicago, Heartland Alliance, EverThrive IL, Planned Parenthood of Illinois and the Sargent Shriver National Center on Poverty Law were able to tap into their advocacy networks and on-the-ground contacts in Springfield to generate buzz around this campaign. Also, in particular, the state affiliates of voluntary health organizations like the American Heart Association, American Lung Association, and the Leukemia and Lymphoma Society were strong partners at the state house in Springfield. Grassroots organizations like Indivisible Illinois (and Indivisible chapters), Citizen Action Illinois, and NAMI Illinois were also instrumental in generating grassroots involvement.

Throughout a quickly moving campaign that involved several rounds of policy negotiations, the advocates were able to retain their coalition support in large part because of their dedication to keeping the full coalition updated on the bill's progress throughout the process and work to activate their members. They kept members engaged and included them on some of the decision points through the negotiations via weekly email communications, a STLDI "tool kit", campaign page (including a new "text to action" tool), suggested social media posts including graphics, listserv groups, periodic coalition calls, and weekly field calls.

While this well-established coalition was very important considering the short timeline of the campaign, another pivotal partnership was with BCBS. With control of nearly 90 percent of the insurance market in the state, the insurer's influence and technical expertise was critical to a legislative victory. Beyond BCBS, some insurance carriers who operate in the Illinois marketplace remained neutral on the bill while others - such as Cigna, the Illinois Life Insurance Council and America's Health Insurance Plans (AHIP) – publicly opposed the bill. However, some of the insurers who were initially against the bill were included in future negotiations, along with the advocates, that ultimately led to the version of the bill that would eventually pass.

Analyzing policy options and negotiating compromises.

Prior to the introduction of the legislation, the advocates went through several weeks of negotiations with BCBS over the initial bill language. The advocates had to balance their desire to draft a bill that went beyond STLDI protections to include additional protections they wanted to see codified in state law, like the ACA's Essential Health Benefits, with what BCBS was willing to work with. Because BCBS was pivotal to the campaign strategy, the advocates agreed to table their additional policy requests and ultimately agreed to an initial bill draft that would limit the duration of STLDI plans to three months, apply consumer protections already in Illinois state law to STLDI plans and require clear disclosures on marketing materials for STLDI plans. The campaign to pass this bill officially launched in March of 2018.

The initial proposed bill got off to a rocky start in the House of Representatives and was eventually attached to another bill in the Senate. As the legislative process carried on the opposition to the bill grew stronger. After a series of policy negotiations with various insurance carriers, the advocates reached a compromise with the opposition to extend the coverage limitation from three months to six months, while retaining some, but not all, of the consumer protections including requiring clear, plain language disclosure on all sales and marketing materials. The compromise also retained protections that prohibited stacking (the ability to renew or extend a STLDI after one expires) or rescissions (retroactive cancellation of coverage) except in the case of fraud. This version of the bill passed in late May 2018.

Generating grassroots actions.

Throughout the campaign, the advocates engaged members of the POC IL coalition to drive calls to policymakers and generate witness slips in favor of the bill – a way for individuals and organizations to file a public position on a bill read by the committee chairperson before a hearing. One tactic they employed to engage the grassroots during critical moments in the campaign was a Text2Action campaign. They also leveraged their health care advocacy email listservs throughout each step of the campaign. These efforts resulted in over 260 calls to legislators and 906 witness slips filed in favor of the bill as it made its way through key committee hearings.

After success in the General Assembly, the bill had one more hurdle to cross: the governor's desk. With the pressure of Governor Rauner's reelection campaign mounting, it was important to continue grassroots advocacy efforts now focused on the administration including both calls and letters to his office encouraging him to sign at least one of the bills that had passed both Houses into law. In total, 10 organizations wrote letters and 62 signed on to a letter to Governor Rauner and key state lawmakers.

Ultimately, in August of 2018, Governor Rauner vetoed the bill even after Republican leaders in the legislature encouraged him to sign it. For the next few months, the advocates regrouped with their allies and ultimately decided to move forward with an effort to override the veto in the legislature. This decision paid off as Governor Rauner lost the election and the veto override passed with little opposition by the end of 2018.

Creating a successful media strategy.

The advocates knew that using the right message for the right audience was critical in this campaign to build on the grassroots energy looking for an opportunity to rally against the Trump administration and to counter the opposition. Their campaign strategy centered on a social media campaign to generate public pressure for legislative action using social media posts and graphics and capitalizing on national media attention on STLDI plans to generate consumer stories and local media coverage. Over the course of the campaign these efforts resulted in 2.9 million twitter engagements, 35,178 Facebook shares and engagements, 27 print, online and broadcast placements and 82.4 million media impressions.

Stories of consumers who were once enrolled in STLDI plans and left with unpaid medical bills of upwards of tens of thousands of dollars were emerging across the country as the Trump administration sought to increase access to these plans. National and local outlets were interested in covering the topic, but finding consumers who had been harmed by STLDI plans and who were willing and able to share their stories publicly was a challenge. Ultimately, by casting a wide net to capture as many stories as possible, the advocates had a handful of consumer stories that they could leverage in media coverage as well as during testimony throughout the legislative process.

In searching for stories, the advocates used some of their traditional sources such as their connection to navigators in the state and coalition partners with access to consumer stories, as well as social media outlets like a Facebook group for artists with pre-existing conditions and leveraging the social media presence of partners like Indivisible. Protect Our Care IL participated in regularly scheduled Indivisible Illinois organizing calls in order to help spread the word. Coverage in national outlets such as the LA Times also drove consumers to contact the advocacy organizations with stories.

Another successful strategy for generating coverage was pitching to local reporters to follow-up with consumers they had previously covered prior to the campaign. For example, the local CBS affiliate covered the story of a young man in Chicago with non-Hodgkin's lymphoma who went almost $1 million in debt due to his STLDI plan not covering his cancer treatments. After finding this story online, advocates followed-up with the reporter and she did another story after the campaign was underway.

The Road to Implementation

Passing the legislation was a major victory, but it was just the first step on the road to implementing these new protections. Now, under the new administration of Governor JB Pritzker, the work begins to figure out how to ensure that the new limits on STLDI plans are enforced. Additionally, helping consumers understand their coverage options and continuing to educate them about the dangers of STLDI plans remains a critical component to success.

Advocates hope to work with DOI to implement and provide clarity around the law. In particular, DOI has informally asked questions of the advocates about how best to enforce language included in the law limiting renewability and stacking of STLDI plans. Additionally, the timing of the federal regulations, coupled with the inability to amend language during the veto override, has created a fairly unique dilemma in which Illinoisans may have purchased STLDI plans with an expectation of 364 day coverage, only to have the regulatory environment change so that those plans now have a coverage period of just six months. People in this situation may find that their coverage will expire outside of the open enrollment period, leaving them completely uninsured. DOI has asked for advocate perspectives on how to prepare for and communicate this, which, unfortunately, they did not do prior to the end of the ACA open enrollment period.

Lessons Learned

As the advocates work toward successful implementation of this law, there are three key lessons learned:

1. **Messaging matters**. One of the key messages that worked with multiple audiences, including consumers, members of the media and legislators, centered on reading the fine print of STLDI plans. For example, when legislators concerned about limiting STLDI plans fearing they might benefit some consumers were presented with the fine print and details on how little it actually covered, these concerns were alleviated.
2. **Insurance industry allies are key**. In this case, BCBS played a pivotal role in the policy negotiations with legislators on both sides of the aisle and were instrumental in ensuring the passage of the bill and the eventual veto override.
3. **This campaign was a coalition builder**. With considerable grassroots and advocacy energy focused on pursing an anti-Trump agenda, this campaign became the perfect vehicle for that energy. It also allowed the advocates to reengage with certain partners with whom they had not closely worked on state campaigns in recent years and attract new coalition partners whom they are now leveraging for new advocacy opportunities.

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