

United States Senate
WASHINGTON, DC 20510

February 22, 2023

The Honorable Xavier Becerra
Secretary
Department of Health and Human Services
200 Independence Ave SW
Washington, DC 20201

Dear Secretary Becerra,

As we celebrate the State of the Union and the important gains that we have made when it comes to expanding the availability of comprehensive, affordable health care coverage, we write once again to urge you to take immediate action and address short-term limited duration insurance plans, or, junk plans. Now, more than ever, the Department of Health and Human Services must act. Beginning in April, millions of Americans will likely lose the Medicaid coverage that they have relied upon during the COVID-19 pandemic. We must protect those who will be looking for coverage in the near future, and take steps to ensure that these plans are not allowed to further proliferate.

The *Families First Coronavirus Response Act (Families First)* (P.L. 116-127) provided additional federal Medicaid funding to states during the COVID-19 public health emergency in exchange for maintaining coverage, specifically by meeting certain maintenance-of-effort requirements. These requirements barred states from lowering income eligibility levels, imposing new premiums or other barriers to enrollment, and involuntarily disenrolling individuals from their programs. According to federal data, Medicaid enrollment has increased by over 30 percent since February of 2020, an additional 19.5 million people.¹ Congress has also worked to provide additional financial support for those who purchase ACA marketplace plans, and in August, passed the *Inflation Reduction Act*, which extended the additional financial support first enacted as part of the *American Rescue Plan*. As a result of this additional support, consumers saved an average of \$800 on their premiums in 2021,² and will continue to see savings through 2025.

As part of the Fiscal Year 2023 (FY23) omnibus, Congress took steps to uncouple the maintenance-of-effort requirements included in *Families First* from the public health emergency in order to avert both a Medicaid coverage and funding cliff. Starting on April 1, 2023, states will be able to begin conducting Medicaid eligibility redeterminations and enhanced federal funding will gradually phase out from April through December 2023. In order to receive enhanced funding during this period, states must follow all federal requirements related to redeterminations, update beneficiaries' contact information, and use multiple methods to contact individuals when they have moved and have an out-of-date mailing address. States will also be

¹ [chrome-extension://efaidnbmninnibpcajpcglclefindmkaj/https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/downloads/august-2022-medicaid-chip-enrollment-trend-snapshot.pdf](https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/downloads/august-2022-medicaid-chip-enrollment-trend-snapshot.pdf)

² <https://www.cms.gov/newsroom/fact-sheets/inflation-reduction-act-lowers-health-care-costs-millions-americans>

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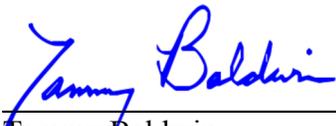
required to submit monthly reports on unwinding, including information indicating where beneficiaries are experiencing challenges.

Congress worked to make sure that the FY23 omnibus gave state Medicaid programs a roadmap for the months ahead and enacted the *Inflation Reduction Act* to provide additional financial support for those enrolling in health coverage through the marketplace. It is now time for the Administration to do its job and act to protect those who will be seeking to enroll in coverage in the coming months.

According to estimates from your Department, approximately 15 million individuals will lose Medicaid or CHIP coverage in the coming year and will therefore require affordable health care coverage.³ Millions will be eligible for significant financial assistance to purchase comprehensive coverage on the marketplace. But without additional protections, many Americans could find themselves enrolled in junk plans that do not provide comprehensive coverage or protection for individuals with pre-existing conditions. These plans, which were actively promoted by the previous Administration and remain unchecked, are not required to comply with consumer protections that limit out-of-pocket costs or coverage of essential health benefits, including mental health services, treatment for substance-use disorder, prescription drug benefits, and maternity care. Furthermore, these plans engage in the type of discriminatory practices, such as retroactive coverage rescissions, medical underwriting, and lifetime and annual caps, which were commonplace before the *Affordable Care Act*.

Since President Biden took office, he has prioritized expanding access to comprehensive, affordable health coverage. Congress has supported these efforts. It is past time for your Department to step up and address the expansion and proliferation of junk plans.

Sincerely,



Tammy Baldwin
United States Senator



Christopher S. Murphy
United States Senator



Jeffrey A. Merkley
United States Senator



Alex Padilla
United States Senator

³ chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://aspe.hhs.gov/sites/default/files/documents/404a7572048090ec1259d216f3fd617e/aspe-end-mcaid-continuous-coverage_IB.pdf

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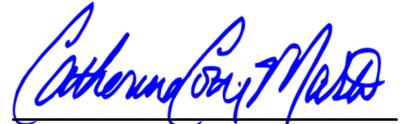
Robert P. Casey, Jr.
United States Senator



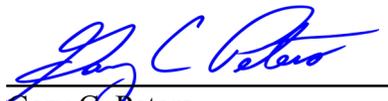
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Richard Blumenthal
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Catherine Cortez Masto
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Sherrod Brown
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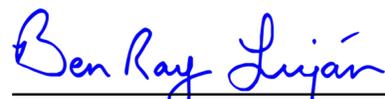
Patty Murray
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Jeanne Shaheen
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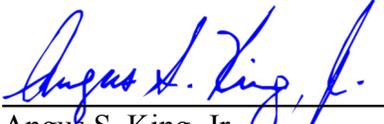


Chris Van Hollen
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Ben Ray Lujan
United States Senator

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Angus S. King, Jr.
United States Senator



Tina Smith
United States Senator



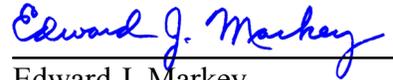
Amy Klobuchar
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Edward J. Markey
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