



Short-Term Limited-Duration Health Plans and Tobacco Cessation



What are short term limited durations health plans?

Short-term limited-duration health plans were designed to fill short gaps in health insurance coverage. They are plans sold on the individual market and have minimal federal regulations. These plans do not meet the Minimum Essential Coverage (MEC) standards as defined by the Affordable Care Act (ACA) and therefore are not legally considered to be health insurance plans. Short-term limited-duration plans do not satisfy the ACA's individual mandate. After the passage of the ACA, these plans were limited to 3 months and not able to be renewed.

Recently, the Department of Labor, Department of Treasury and the Department of Health and Human Services issued a new rule and starting October 2, 2018, short-term limited-duration plans can be sold for up to 364 days and can be renewable for up to three years.

What are short-term limited-duration plans required to cover?

The short-term limited-duration plans have no federal coverage requirements. They do not have to cover the essential health benefits or preventive services, including tobacco cessation.

States are able to regulate short-term limited-duration plans being sold in their state. There are a number of states¹ that prohibit the sale of these plans, require them to cover some specific services, limit the duration a plan (typically 3 month or 6 months) or prohibit the plans from being renewed.

What are the implications for tobacco cessation?

While most private insurance health plans are required to cover a comprehensive tobacco cessation benefit, short-term limited duration plans are not required to cover any tobacco cessation treatment.

The increased availability of short-term limited-duration plans will mean that more people will lack access to tobacco cessation treatment through their insurance.

With fewer smokers having access to cessation treatment through their insurance, there could be more pressure on already-limited low cost and no-cost cessation resources, such as the state quitlines.

Short-term limited-duration plans will also make it more difficult to promote tobacco cessation treatments to both providers and patients. By introducing new health plans without coverage requirements, there is more confusion and less uniformity on what treatments are covered and any barriers to accessing them. The differences in coverage can make prescribing and promotion more difficult.

Comprehensive Tobacco Cessation Benefit: Seven Medications:

NRT Gum (OTC²) | NRT Patch (OTC)
NRT Lozenge (OTC) | NRT Inhaler
NRT Nasal Spray | Bupropion
Varenicline (Chantix®)

Three Forms of Counseling:

- Individual
- Group
- Telephone

¹K. Lucia, J. Giovannelli, S. Corlette et al., State Regulation of Coverage Options Outside of the Affordable Care Act: Limiting the Risk to the Individual Market, The Commonwealth Fund, March 2018. Map available at: <https://infogram.com/state-regulation-of-coverage-options-outside-of-the-affordable-care-act-limiting-the-risk-to-the-individual-market-exhibit-4-1h7z2l1v0jol4ow>

²OTC: Over-the-counter; Medication doesn't need a prescription, however a prescription is necessary for an insurance company to pay for it.