



# Association for Community Affiliated Plans v. US Dep't of Treasury (D.C. Dist. Ct.)

Topics Covered: Affordable Care Act, Health Plan Coverage, Patient Rights

## Issue

The issue in this case is whether regulations of the federal government that expand the availability of “short-term, limited duration insurance” (STLDI) policies are valid under the Affordable Care Act (ACA).

## AMA Interest

The AMA supports parity of coverage for mental illness, alcoholism, substance use, and eating disorders.

## Case Summary

The ACA provides minimum coverage standards for health insurance policies. To increase the availability of health insurance for people who might otherwise be priced out of the market, these standards prohibit exclusions for pre-existing medical conditions. In addition, and perhaps more pertinently to this memorandum, the ACA requires coverage for mental health and substance abuse disorders. The minimum coverage standards increase the cost of health insurance policies for generally healthy people, but they facilitate healthcare for people who would otherwise be unable to afford health insurance.

The ACA does, however, allow exceptions to its minimum coverage standards. One of these exceptions is for STLDI. This exception allows individuals who transition from one plan to another to fill the gap with STLDI coverage on a temporary basis. Typically, STLDI is less expensive than ordinary insurance, but it will generally exclude benefits for pre-existing medical conditions and such problems as mental health or substance abuse disorders. As the name suggests, this insurance is intended to be only for “short-term, limited duration.”

On October 12, 2017, President Trump signed Executive Order 13813, *Presidential Executive Order Promoting Healthcare Choice and Competition Across the United States*, which directed his Administration to expand access to STLDI plans. The Executive Order explained that STLDI plans are exempt from the “insurance mandates and regulations included in [ACA] Title I.” It sought to make STLDI plans an “alternative” to ordinary ACA-compliant health care for consumers in the individual insurance marketplaces. Consistently with that Executive Order, the Departments of Treasury, Labor, and Health and Human Services promulgated regulations. Under the regulations, STLDI plans can extend for 364 days, with multiple renewal options.

Several organizations, including the American Psychiatric Association, sued the United States government to have the new STLDI regulations declared invalid. The lawsuit argued that the regulations violate at least the spirit, if not the letter, of the ACA. The plaintiffs moved to preliminarily enjoin the new regulations.

### **Litigation Center Involvement**

The AMA, the Medical Society for the District of Columbia, and several specialty medical societies filed an *amicus* brief to support the motion for preliminary injunction. The brief reinforced the plaintiffs' argument about how the regulations disrupt health care and violate the ACA objective of providing universal health insurance coverage.

United States District Court for the District of Columbia brief