

Short-term, Limited-duration Insurance Final Rule

Children's Hospital Association Summary

On March 28, the Departments of Health and Human Services, Labor, and Treasury (“tri-agencies”) released a [final rule](#) that reverses the Trump administration’s extension of the duration of Short-Term, Limited Duration Insurance (STLDI) health plans to up to 36 months. STLDI plans are intended to fill temporary gaps in coverage in the individual commercial market (such as for a college student who is enrolled in student health but does not have coverage in the summer, or a new employee who may have a waiting period before their employer-provided insurance is effective). STLDIs do not have to comply with ACA [consumer protections](#), including coverage of essential health benefits or pre-existing conditions.

We joined with other [national children’s](#) and disability groups in support of the proposed rule’s limit on the duration of STLDI plans to no longer than four months in total. We also supported requiring insurers to prominently display a notice to consumers that explains that STLDI plans are not comprehensive insurance products and recommended ways to further strengthen the consumer information requirements. In particular, we recommended that the final rule:

- Prohibit the sale and marketing of STLDI plans during the ACA’s annual open enrollment period.
- Restrict aggressive marketing by brokers and others who try to sell STLDI plans to those who have lost coverage as a result of the Medicaid unwinding.
- Require insurers to make all notices and related materials available in the 15 most commonly spoken languages for the geographic area.

The tri-agencies generally finalized the rule as proposed with some changes to the notice requirements to reflect consumer testing but without any additional consumer protections. However, the tri-agencies noted that they will consider additional measures for future rulemaking and guidance. They also noted that the final rule does not prevent states from requiring that consumer information be available in additional languages.

Provisions with implications for children’s hospitals and children’s health care

Definition of STLDIs

The final rule modifies the definition of STLDIs to:

- Better distinguish them from ACA-compliant plans.
- Limit their coverage period to no more than three months after their original effective date.
- Limit their maximum duration to no more than four months in total taking into account any extensions and renewals from the same issuer within a 12-month period.

The new definition only applies to new STLDI plans that are sold or issued on or after Sept. 1, 2024. Plans that were sold before that date can continue for up to a total of 36 months.

Required Consumer Notices

The final rule requires insurers to clearly display consumer information about STLDIs, including information about coverage scope and limitations, in their marketing and enrollment materials, applications and contracts. The rule includes a standard notice that must be included on the first page of all materials in at least 14-point font. The notice (see below) is intended to:

- Provide clear and easily readable information about the differences between STLDI coverage and comprehensive coverage.
- Help consumers identify where and how to enroll in comprehensive coverage with a link to Healthcare.gov or the state Exchange.
- Remind consumers that they should contact their employer if they are eligible for employer-sponsored insurance.
- Direct consumers to the state department of insurance if they have complaints about their STLDI plan.

Both new and plans that were sold prior to the rule's effective date would be required to provide these notices within 75 days of the rule's April 3 publication in the Federal Register.

Standard Notice

**IMPORTANT: This is a short-term, limited-duration policy,
NOT comprehensive health coverage**

This is a temporary limited policy that has fewer benefits and Federal protections than other types of health insurance options, like those on HealthCare.gov.

This policy	Insurance on HealthCare.gov
Might not cover you due to preexisting health conditions like diabetes, cancer, stroke, arthritis, heart disease, mental health & substance use disorders	Can't deny you coverage due to preexisting health conditions
Might not cover things like prescription drugs, preventive screenings, maternity care, emergency services, hospitalization, pediatric care, physical therapy & more	Covers all essential health benefits
Might have no limit on what you pay out-of-pocket for care	Protects you with limits on what you pay each year out-of-pocket for essential health benefits
You won't qualify for Federal financial help to pay premiums & out-of-pocket costs	Many people qualify for Federal financial help
Doesn't have to meet Federal standards for comprehensive health coverage	All plans must meet Federal standards

Looking for comprehensive health insurance?

- Visit [HealthCare.gov](https://www.healthcare.gov) or call **1-800-318-2596** (TTY: 1-855-889-4325) to find health coverage options.
- To find out if you can get health insurance through your job, or a family member's job, contact the employer.

Questions about this policy?

For questions or complaints about this policy, contact your State Department of Insurance. Find their number on the National Association of Insurance Commissioners' website ([naic.org](https://www.naic.org)) under "Insurance Departments."