

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

ASSOCIATION FOR COMMUNITY
AFFILIATED PLANS, et al.,

Plaintiffs,

v.

UNITED STATES DEPARTMENT OF
TREASURY, et al.,

Defendants.

Civil Action No. 18-cv-2133

DECLARATION OF PAUL GIONFRIDDO

I, Paul Gionfriddo, hereby declare as follows:

1. I have personal knowledge of the following facts, and if called as a witness I could and would testify competently as to their truth.
2. I am the President and CEO of Mental Health America (MHA). In that capacity, I am familiar with MHA's operations.
3. MHA is the nation's leading community-based nonprofit dedicated to addressing the needs of those living with mental illness and to promoting the overall mental health of all Americans. Its work is driven by its commitment to promote mental health as a critical part of overall wellness, including prevention services for all, early identification and intervention for those at risk, integrated care, services, and support for those who need it, with recovery as the goal. Much of the organization's current work is guided by the Before Stage 4 philosophy—that mental health conditions should be treated long before they reach the most critical points in the disease process.

4. MHA affiliates—that is, local organizations for whom MHA is the national association—provide public education, information and referral, support groups, and rehabilitation services, as well as socialization and housing services to those confronting mental health problems and their loved ones.

5. MHA believes that expanding the use of STLDI will harm disproportionately individuals living with mental health issues, because: (1) STLDI is not a realistic option for people with chronic behavioral health concerns, since STLDI plans are not required to—and often do not—cover mental health and substance abuse treatment services; and (2) the siphoning of younger, healthier individuals from ACA risk pools will increase plan premiums and decrease the number of plans participating in the marketplace.

6. We are also concerned that insurance issuers and brokers will favor these plans over marketplace coverage because brokers can receive higher commissions and issuers can achieve profits that are not counted under the ACA's 80-percent medical loss ratio requirement.

7. The STLDI Rule would make it more challenging for people that choose STLDI plans to access comprehensive services for mental health and substance use disorders when they need those services.

8. The Rule will therefore obstruct MHA's goal of promoting the overall mental health of all Americans, and will likely lead to more individuals requiring the support groups and rehabilitation, socialization, and housing services provided by MHA affiliates. This will require those affiliates, in turn, to divert more and more of their limited resources to those services, or else leave those needs unaddressed.

9. MHA submitted comments in response to the Proposed STLDI Rule. A true and correct copy of those comments is attached as Exhibit A.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief. Executed on September 28, 2018, at Middletown, CT.


Paul Gionfriddo

Exhibit A

April 9, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
P.O. Box 8010
7500 Security Boulevard
Baltimore, MD 21244-8010

RE: Proposed Rule, Short-Term, Limited-Duration Insurance
CMS-9924-P

Dear Administrator Verma:

Mental Health America (MHA) appreciates the opportunity to respond to the Proposed Rule entitled “Short-Term, Limited-Duration Insurances” promulgated by the Internal Revenue Service, the Department of Labor, Employee Benefits Security Administration, and the Centers for Medicare & Medicaid Services’ (Proposed Rule).

MHA, founded in 1909, is the nation's leading community-based nonprofit dedicated to addressing the needs of those living with mental illness and to promoting the overall mental health of all Americans. Our work is driven by our commitment to promote mental health as a critical part of overall wellness, including prevention services for all, early identification and intervention for those at risk, integrated care, services, and supports for those who need it, with recovery as the goal.

We write to oppose the policy contained in the Proposed Rule. We strongly urge the Administration to prioritize its efforts on healthcare affordability and access so that people who truly need care for mental health and substance use disorders can continue to receive it. The Affordable Care Act (ACA), while not perfect, has offered a lifeline to individuals with mental health conditions and their families. The Proposed Rule offers no counterbalance to the recognized risks it imposes on marketplace stability, and no meaningful alternative for individuals relying on ACA plan coverage.

The Proposed Rule’s only mention of individuals with costly medical conditions was to acknowledge that short-term plan enrollees who develop a chronic condition would switch to marketplace coverage. This underscores our belief that individuals with chronic mental health and substance use disorders will be disproportionately impacted by this proposed policy because:

- Short-term health coverage is not a realistic option for people with chronic behavioral health concerns as these plans do not have to cover mental health and substance use treatment services and,
- The anticipated syphoning of younger, healthier individuals from the ACA risk pools will increase plan premiums and decrease the number of plans participating in the marketplace.

The Proposed Rule indicates that short-term health insurance offers lower premiums for reduced benefits and patient protections that will likely attract younger, healthier individuals. It is unlikely that individuals with certain mental health and substance use disorders would be able to meet medical underwriting standards to obtain this type of coverage and, if coverage is available, it would be associated with a higher premium. These plans have additional shortcomings that make enrollment of little value to individuals with mental health and substance use conditions, including:

- Short-term insurance plans generally exclude coverage for preexisting medical conditions;
- These plans do not have to cover essential health benefits, and most do not offer coverage for prescription medications.
- Issuers would be allowed to rescind or decline coverage;
- Deductibles and cost-sharing obligations are often far more onerous than those contained in ACA plans; and
- Lifetime and annual caps can be applied to limit coverage.

We are also concerned that insurance issuers and brokers will favor these plans over marketplace coverage because brokers can receive higher commissions and issuers can achieve profits that are not counted under the ACA's 80 percent medical loss ratio requirement.

This Proposed Rule would damage already-fragile insurance marketplaces essentially transforming them to high risk pools, and would make it more challenging for people that choose these plans to access comprehensive services for mental health and substance use disorders when they need them.

Once again, MHA appreciates the opportunity to submit comments on the Proposed Rule and looks forward to seeing the Administration reconsider changing the rule defining short term plans. Please do not hesitate to contact Caren Howard, Advocacy Manager at choward@mentalhealthamerica.net if you or your staff would like to discuss these issues in greater detail.

Best Regards,



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