



Hearing Summary: Are Mini Med Policies Really Health Insurance?

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WASHINGTON, D.C.--The U.S. Senate Committee on Commerce, Science, and Transportation held a full committee hearing today titled Are Mini Med Policies Really Health Insurance?

Witness List:

Mr. Stephen Finan, Senior Director of Policy, American Cancer Society

Mr. Eugene Melville, Riverside, CA

Mr. Aaron Smith, Co-Founder and Executive Director, Young Invincibles

Mr. Richard Floersch, Executive Vice President, Chief Human Resources Officer, McDonald's Corporation

Mr. Timothy S. Jost, Professor of Law, Washington and Lee University School of Law

Mr. **Devon M. Herrick**, Ph.D., Senior Fellow, **National Center for Policy Analysis**

Key Quotations from Today's Hearing:

"More than a million Americans wake up and go to work every day thinking they have health insurance. But they don't. They don't have the kind of comprehensive health insurance that protects you from financial ruin if you get sick. Instead, they have something called "limited benefit" or "mini medical" insurance. These policies give people a false sense of security - they let them think they have health insurance when they really don't. By the time they realize they don't have real health insurance, it's too late. They have already received a huge hospital bill or have had their testing or surgery cancelled because their so-called "health insurance" is worthless. People expect to buy safe consumer products. And they should expect basic protections from their health insurance, too. The only reason they buy these mini-med plans is that right now, they have no other choice."

Chairman John D. (Jay) Rockefeller IV

"The mini-meds are a perfect example of why health care reform is so crucial. Adequate coverage at affordable prices is no longer attainable for many Americans. If we want all Americans to have

meaningful access to quality health care, we need to change the insurance market rules, provide subsidies, streamline administrative processes and greatly increase transparency and accountability."

Mr. Stephen Finan, Senior Director of Policy, American Cancer Society

"As an individual recently diagnosed with cancer, the \$2,000 that my policy provides me annually for doctor's visits and out-patient treatment doesn't even begin to cover the cost of the life-saving treatments I need for my oral cancer. Instead of receiving the treatments my doctor prescribed and beginning my recovery, I have spent the last few months struggling to piece together coverage to treat my cancer."

Mr. Eugene Melville, Riverside, CA

"Despite the obvious flaws in mini-med plans, it is an encouraging sign that employers see providing insurance as a valuable and necessary benefit for their employees. Young Invincibles would gladly work with employers transitioning from mini-med plans to more quality, affordable health insurance. The profits made by insurance companies on mini-med plans suggest that a transition toward better value is both realistic and desirable. Such a move will not only be welcomed by workers, young and old, but could have positive effects on productivity and worker satisfaction."

Mr. Aaron Smith, Co-Founder and Executive Director, Young Invincibles

"We have worked hard to find affordable health insurance plans that meet the needs of our restaurant employees. We utilized the services of noted experts in this field. We believe that we have achieved the best result that the marketplace allows."

Mr. Richard Floersch, Executive Vice President, Chief Human Resources Officer, McDonald's Corporation

"Limited benefit plans leave Americans exposed to far too great a level of financial and health risk. They should disappear as soon as possible. As a practical matter, however, they may be the only coverage available to some Americans until the premium tax credit and Medicaid expansions take place in 2014. In the interim, it is essential that these plans comply with the requirements of the law to the maximum extent possible and that consumers be fully informed of any waivers or adjustments granted to these plans and of how limited their coverage under these plans truly is."

Mr. Timothy S. Jost, Professor of Law, Washington and Lee University School of Law

"Plans that feature limited benefits in return for a lower insurance premium are not for everybody. Indeed, these plans cap benefits at a predetermined level and are not intended to provide protection in the event of a catastrophic illness. However, they are an affordable choice for many Americans."

Mr. **Devon M. Herrick**, Ph.D., Senior Fellow, **National Center for Policy Analysis**