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REALTOR®

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April 23, 2018

Mr. Alex Azar
Secretary of Health and Human Services
Centers for Medicare & Medicaid Services
Department of Health and Human Services
P.O. Box 8010
Baltimore, MD 21244-8010

Submitted via: https://www.regulations.gov/comment?D=CMS-2018-0015-0002

Re: "Short-Term, Limited-Duration Insurance"; RIN 0938-AT48; RIN 1210-AB86; RIN 1545-BO41

Dear Secretary Azar:

The 1.3 million members of the National Association of REALTORS® (NAR) are encouraged by the Administration's continued focus to provide more affordable health insurance options to consumers.[1] REALTORS® are primarily independent contractors purchasing in the individual insurance markets, which often means limited choices at costly rates. Under the Administration's proposed rule, there may be additional options for insurance coverage, providing relief during transitional times when more comprehensive, long-term coverage may not be an option.

The National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. Members belong to one or more of approximately 1,200 local associations/boards and 54 state and territory associations of REALTORS®. NAR members are the individual real estate agents, brokers, and broker/owners who help consumers buy or sell real property and often need help of their own when traversing the costly world of health insurance.

As agents – not employees – of realty offices across the country, REALTORS® are not eligible for employer sponsored coverage, and therefore are purchasing insurance on their own or relying on their spouses for coverage. According to a recent survey, around 11 percent of members are uninsured. While a majority of REALTORS® recognize the importance of maintaining health insurance, if rising costs become too expensive, this uninsured figure could increase. As a result, there must be alternative affordable insurance options available to safeguard REALTORS®' health.

The proposed rule purports to expand the duration of short-term, limited-duration (STLD) insurance to a period less than twelve months, an increase

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[1] Exec. Order No. 13,813, 82 Fed. Reg. 48,385 (Oct. 12, 2017).

from current duration of no longer than three months. For the real estate industry, with income andrealt livelihood directly tied to the often-volatile residential housing market, insurance options that are designed for transitional periods are helpful in offering peace of mind and necessary protection. While such coverage tends to be less comprehensive due to the inapplicability of *Affordable Care Act* rating rules or benefit coverage requirements, and as a result, less costly, such offerings may be attractive as a stopgap security measure until financial stability is attained. With the proposed extension, STLD insurance may now offer more protected time for such recovery in anticipation of enrollment in a more comprehensive plan. This is especially useful during a time when insurance companies continue to drop out of the individual market, further reducing consumer choice.

Despite this type of insurance being excluded from the definition of “individual health insurance coverage,”[2] with the individual shared responsibility payment effectively reduced to zero beginning in 2019,[3] participants should have confidence in participating in such a plan without fear of a “minimum essential coverage” tax penalty, which could increase enrollment. Therefore, when implementing the rule, the Administration must be aware of and protect against adverse harm to residual markets, especially as premiums are already increasing in many areas. The Administration must also ensure that the insurer notice requirements in the proposed rule adequately provides consumers with a *clear understanding* of the nature of the insurance, while still allowing for flexibility for STLD insurance plan design.

In addition to this effort to expand interim plans, NAR is supportive of the Administration’s efforts to expand access to longer-term coverage, including the proposed Association Health Plans (AHP) rule.[4] This second effort would specifically expand the definition of “employer” to include “working owners” under the *Employee Retirement Income Security Act* – an element that is key to inclusion of the independent contractor community. While the Administration works to finalize the AHP proposal, NAR looks forward to additional solutions that have the potential to result in more choices for health insurance coverage for more Americans.

Thank you in advance for considering these comments. Please do not hesitate to contact me with any questions, or if REALTORS® can serve as a resource on these important matters.

Sincerely,

Elizabeth G. Mendenhall

Elizabeth Mendenhall
2018 President, National Association of REALTORS®

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[2] Section 2791(b)(5) of the *Public Health Service Act*.
[3] Tax Cuts and Jobs Act, Pub. L. No. 115-97 (Dec. 22, 2017).
[4] See Comment from the Nat’l Ass’n of REALTORS® to the Dep’t of Labor’s Definition of Employer under Section 3(5) of ERISA - Association Health Plans, 83 Fed. Reg. 614 (proposed Jan. 5, 2018), available at http://narfocus.com/billdatabase/clientfiles/172/3/3116.pdf.