

Selling Across State Lines: Policy Goals and Evidence

LEAD
the **WAY**

Building a People-Centered Health System



Goal

Trinity Health is committed to public policies that support better health, better care and lower costs to ensure affordable, high-quality, people-centered care for all. As Trinity Health assesses key components of Affordable Care Act (ACA) replacement proposals, it is important to review the pros and cons associated with each proposal and to evaluate the impact on coverage and access to affordable, high-quality, people-centered care.

Background & Purpose

Over the last decade, policymakers have debated the sale of insurance across state lines as a mechanism for increasing competition and affordability. Cross-state sales have been a component of various health reform proposals, but no insurer has ever authorized the sale of coverage across state lines, even where allowed. The table below provides the “pros” and “cons” of selling insurance across state lines. The information is based on available research and evidence assessing impact, feasibility and success.

Status of Laws and Policies Authorizing Cross-State Insurance Sales

State Laws: Since 2008, 21 states have introduced legislation to allow the sale of health insurance across state lines, and five states have enacted such laws. However, no insurer has authorized the sale of coverage across state lines.

Federal Laws: ACA’s Section 1333 already permits states to form interstate compacts, which could allow insurers to sell Qualified Health Plans (QHPs) in another state.

Policy	Pros ²	Cons ³
Allow insurers to sell plans across state lines	<ul style="list-style-type: none"> • Allowing cross-state sales would increase marketplace competition, eventually lowering costs across the health system. • Decreasing regulatory barriers to coverage would allow insurers to establish a wider variety of affordable plans, providing more choices for consumers. 	<ul style="list-style-type: none"> • Cross-state sales do not address key drivers of premiums (e.g. provider availability, consumer demand, or risk segmentation). • Implementation would be administratively challenging for insurers (e.g. entering new markets, establishing provider networks, and pricing products). • Consumer protections likely to be undermined.
<p>Overall Takeaway – Selling insurance across state lines is unlikely to lower costs and faces serious administrative challenges to implement.</p> <p>Trinity Health Supports policies that promote affordable coverage that incentivizes people to purchase insurance and responsibly use health care services.</p>		
<p>Supporting Research: 1. Interstate Insurance Sales: Wishful Thinking, Or A Viable Policy Option? (2017), Health Affairs Blog. Sanger-Katz, Margaret, The Problem With GOP Plans to Sell Health Insurance Across State Lines, <i>The New York Times</i>, Aug. 31, 2015. Selling Insurance Across State Lines (2017), NASHIP. 2. Interstate Insurance Sales: Wishful Thinking, Or A Viable Policy Option? (2017), Health Affairs Blog. Sanger-Katz, Margaret, The Problem With GOP Plans to Sell Health Insurance Across State Lines, <i>The New York Times</i>, Aug. 31, 2015. Selling Health Insurance Across State Lines: An Assessment of State Laws and Implications for Improving Choice and Affordability of Coverage (2012), The Center on Health Insurance Reforms, Georgetown University, and the Robert Wood Johnson Foundation. 3. Interstate Insurance Sales: Wishful Thinking, Or A Viable Policy Option? (2017), Health Affairs Blog. Selling Insurance Across State Lines (2017), NASHIP. Selling Health Insurance Across State Lines: An Assessment of State Laws and Implications for Improving Choice and Affordability of Coverage (2012), The Center on Health Insurance Reforms, Georgetown University, and the Robert Wood Johnson Foundation. Interstate Health Insurance Sales: Myth vs. Reality, National Association of Insurance Commissioners.</p>		

<http://advocacy.trinity-health.org> • advocacy@Trinity-Health.org

Mission: We, Trinity Health, serve together in the spirit of the Gospel as a compassionate and transforming healing presence within our communities.

Core Values: Reverence • Commitment to Those Who Are Poor • Justice • Stewardship • Integrity

