



NATIONAL HEMOPHILIA FOUNDATION
for all bleeding and clotting disorders

TALKING POINTS FOR RAISING LIFETIME INSURANCE CAPS

Issue: Legislation that would phase in an increase in minimum lifetime caps in private insurance plans to \$10 million, with an annual inflationary index thereafter.

Status of Bill and NHF Request

Senate: S. 2706, the Health Insurance Coverage Protection Act, has been introduced by Senator Byron Dorgan (D-ND). The bill phases in an increase in lifetime caps to \$10 million, and includes an annual inflationary update after that. The bill exempts health plans offered to businesses with fewer than 20 employees, but requires that health plans meeting the parameters of the bill be offered to a small business at the employer's request. Ask your senators to co-sponsor S. 2706.

House: H.R. 6528, the Health Insurance Coverage Protection Act, has been introduced by Representatives Anna Eshoo (CA), Betty Sutton (OH), Jason Altmire (PA) and Jim Langevin (RI). The bill is identical to S. 2706. Ask your representative co-sponsor H.R. 6528.

Why This Legislation is Important to the Bleeding Disorders Community

The bill will allow people with bleeding disorders and other high-cost chronic conditions who have private insurance to maintain their coverage and not have to seek public assistance such as Medicaid or state high-risk pools.

- With typical costs of \$150,000 to \$250,000 per year or more for clotting factor for each family member, it is easy to understand how a lifetime cap of \$1 million or even several million is inadequate for some. Describe your or your family's annual costs for clotting factor. Have you dealt with an inhibitor, needed surgery or experienced some other costly complication in the past few years? What was the cost of factor associated with the complication?
- Explain the impact the lifetime cap has on choices about healthcare, education, career, state of residency and financial stability.
- Have you reached, or come close to reaching, your cap? What did you do? Do you know others who have hit their caps? What did they do? What steps have you taken to avoid reaching your cap?

Facts About Lifetime Caps and Insurance

- A lifetime cap is an aggregate lifetime limit on what an insurance plan will pay in benefits. This means that after a certain dollar amount has been paid out on your or your family member's behalf, your insurance company may no longer cover you.
- An insurance plan can put a lifetime cap on the major medical benefit, pharmacy benefit or, in some cases, both. There may be one cap or separate caps.
- Many private group health insurance policies still carry the same \$1 million cap that was set by the insurance industry in 1970. The same coverage today would equal \$10.1 million.
- According to the America's Health Insurance Plans, 62% of Americans under 65 years old receive insurance coverage through their employer; 5% purchase their insurance through the private individual insurance market.
- A 2007 Kaiser Family Foundation study stated that 55% of Americans who receive employer-sponsored health insurance face a lifetime cap--40% of them have a cap of \$2 million or less.
- A 2007 America's Health Insurance Plans study reports that 88% of people who purchase individual insurance plans have lifetime caps typically set at \$3 million-\$4 million.
- In 1995, a Price Waterhouse study found that eliminating the lifetime cap on private insurance plans would save the Medicaid program alone more than \$7 billion over seven years. These savings are likely greater due to healthcare inflation.
- A 1995 Academy of Actuaries study found that eliminating lifetime caps would only result in a minimal increase to insurance premiums for employers.