



# TESTIMONY

April 24, 2019

## HOUSE BILL 83 AND SHORT-TERM MEDICAL INSURANCE

*By Patrick Ishmael*

Testimony Before the Missouri Senate Insurance and Banking Committee

### **TO THE HONORABLE MEMBERS OF THIS COMMITTEE:**

Thank you for the opportunity to provide testimony. My name is Patrick Ishmael, and I am the Director of Government Accountability for the Show-Me Institute, a nonprofit, nonpartisan, Missouri-based think tank that advances sensible, well-researched, free-market solutions to state and local policy issues. The ideas presented here are my own.

The liberalization of short-term medical insurance, or STM, is an important step in expanding consumer choice in insurance products in Missouri and placing downward pressure on prices, mainly through an increase of insurance product supply and competition. STM plans represent a traditional health insurance product whose main objective isn't necessarily health maintenance, but financial protection. Car insurance doesn't pay for oil changes, and homeowner's insurance doesn't pay for lawn mowing.

Likewise, health insurance purchasers should have an opportunity to choose products that fit their health needs and are priced accordingly. Further, the disclosure requirements included in this legislation provide clear notice to customers of what they will—and won't—get with an STM plan.

Having an opportunity to purchase a targeted, price-competitive insurance product will give Missourians a much-needed health care option to meet their needs and their budgets. Certainly, policymakers should consider other reforms in health care in addition to STM, including licensure reform, certificate of need repeal, and Medicaid revisions. However, STM is a modest and important step toward reform.

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*Patrick Ishmael is director of government accountability at the Show-Me Institute.*

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