

Reps. Eshoo, Langevin, and Senators Dorgan and Snowe Introduce Bill to Raise Lifetime Insurance Caps

Friday, February 13, 2009

Washington, D.C. - Today, Reps. Anna G. Eshoo (D-CA) and Jim Langevin (D-RI) and Senators Byron Dorgan (D-ND) and Olympia Snowe (R-ME) introduced the Health Insurance Coverage Protection Act, a bill that will raise lifetime health insurance caps to \$10 million. This is the second Congress that Rep. Eshoo and Senator Dorgan have introduced this legislation.

Most people are unaware that their health insurance could expire when their healthcare costs have totaled a certain amount. More than half of all private health insurance policies in the U.S. have lifetime caps on benefits-- once the cap is reached, these individuals are released from their healthcare plans and have few good options. They are forced to pay their health expenses out of pocket, spend down their assets to qualify for Medicaid, or try to seek free care from hospitals or other providers. This is a life-threatening problem for those who have disabilities or chronic illnesses.

"This bill addresses a critical lack of coverage for those with disabilities or chronic illnesses," said Eshoo. "It's a travesty to think that people are job-hopping in order to switch insurance plans or quitting their job all together to access Medicaid. Increasing the minimum lifetime cap will result in a net savings for federal and state governments because individuals with high medical costs can maintain private health insurance. As medical treatment costs continue to increase, the issue of lifetime insurance maximums will become even more important. This legislation will protect individuals who are struggling to pay for the expensive medical treatments that are a result of a disability or chronic illness."

"As Co-Chair of the Bipartisan Disabilities Caucus, I have been troubled by too many stories of families that face financial ruin because their medical bills exceed the lifetime cap on their insurance policy," said Langevin. "However, this is not just an issue that affects people with chronic and disabling conditions. Health care costs are rising for everyone, and in these challenging economic times it is more important than ever that lifetime insurance caps accurately reflect the costs of care in this country."

"Having an inadequate lifetime cap defeats the purpose of health insurance and forces those with disabilities and chronic illnesses into an impossible situation," said Dorgan. "Low caps also end up costing the taxpayer because once people with illnesses hit their cap, they often turn to government programs for their care. This legislation will raise lifetime insurance caps and allow those with illnesses to focus on recovering -- not worrying about how they are going to pay for their treatment."

"Low lifetime caps can mean financial disaster for people with chronic illnesses," Senator Snowe said. "Overly restrictive lifetime caps on benefits can cause everyday Americans to go bankrupt and ultimately shift their health care costs to public programs, such as Medicaid. This legislation will provide the immediate financial and psychological relief to families who struggle to access healthcare in the midst of an expensive and life-threatening medical crisis."

###