

## **The cheap health insurance promoted by Trump officials has this catch**

Some states have banned “short-term” insurance plans with limited coverage, and consumer advocates have warned of the drawbacks.

November 15, 2025 at 5:00 a.m.

By Peter Whoriskey – The Washington Post

Robert Hays, an industrial electronics salesman in Arkansas, thought he’d purchased conventional medical insurance. So did Essie Nath, 67, a retired cafeteria worker in Wyoming. So did Martin Liz, 47, a Key West chef.

Each enrolled in the kind of private health insurance that Trump administration officials have promoted as an alternative to plans sold under Obamacare.

The difference between the two options became all too clear after Hays, Nath and Liz required surgery: Their cheaper policies left them facing bills of tens of thousands of dollars. Hays is facing bills of \$116,000 for neck surgery required after tweaking his neck while lifting weights; Nath had heart failure and got bills of \$82,000; Liz is stuck with bills of more than \$100,000 for a knee replacement.

“These policies are a horrible idea,” said Ken Swindle, an Arkansas-based attorney for Hays. “People think they’re getting comprehensive medical coverage, but they’re not, and they often don’t realize that until it’s too late.”

With enhanced government subsidies for Obamacare plans expiring this year and millions of Americans facing soaring insurance costs, many are expected to consider enrolling in the kind of “short-term” plans bought by Hays, Nath and Liz.

Unlike most insurance, these plans are not required to cover preexisting conditions or even basic needs such as maternity care and mental health. Their coverage is so full of holes that five states have banned their sale, according to KFF, a nonpartisan health policy research group. Even some major insurers have questioned whether relying on the short-term plans is a good idea, warning that many consumers could mistake them for comprehensive coverage. The Biden administration referred to them as “junk” plans.

The policies tend to be cheaper, though, costing as little as half as much as a plan sold on HealthCare.gov or state-run marketplaces created by the landmark Affordable Care Act, also known as Obamacare. For example, for a 40-year-old nonsmoker in Florida, the cheapest ACA plan may cost about \$500 a month, while a short-term plan would be \$320. Millions of people have signed up for them.

### **Millions looking for cheaper options**

Now, as millions of consumers see huge spikes in Obamacare costs, many seeking a cheaper alternative will entertain the short-term plans as a viable option, insurance agents said.

“Costs continue to go up, leaving individuals, families, and businesses scrambling to find and keep the coverage they need,” said Kelly Loussedes, vice president of NABIP, a trade group representing more than 100,000 licensed health insurance agents, brokers and consultants. “It’s essential that consumers understand these plans are *not* comprehensive coverage.”

Andy Mided, a Chicago-area national health insurance agent and consultant, said he has been flooded with calls from Obamacare enrollees who are looking for a cheaper alternative.

“There’s been a huge influx of people asking me, ‘What do I do?’” he said.

Mided said the short-term plans are too risky for his clients. Given their gaps in coverage, he said, “I couldn’t sleep at night if I sold that to somebody.”

In addition to the five states that have banned them — including California and New York — nine states have rules so prohibitive that no short-term plans are offered, leaving 36 states where they are sold, KFF has found. Nearly half of the plans do not cover outpatient prescription drugs and 40 percent do not cover mental health services, according to KFF. All ACA-compliant plans must cover such services.

Some insurance agents, though, said the short-term plans can work for some: those who are healthy, need it only for a few months between jobs or before they reach 65 and enroll in Medicare and have incomes too high to qualify for ACA subsidies.

“It’s an important option to keep on the table,” said Joshua Brooker, a Pennsylvania-based insurance agent and consultant.

Some insurers are preparing for new customers. Last month, UnitedHealth and its subsidiary, Golden Rule Insurance, announced new sales incentives to agents selling the short-term plans.

“This fall, we are celebrating ... with a high-impact incentive designed to reward your hustle,” the announcement said.

### **The loophole for short-term plans**

Short-term plans, which were previously limited to a duration of four months, were vastly expanded in 2018 by the Trump administration, which saw them as an alternative to ACA plans, which they opposed. To make the short-term plans more accessible, the Trump administration ruled that a short-term policy could last as long as three years.

“President Trump is bringing more affordable insurance options back to the market,” Health Secretary Alex Azar said at the time. “These plans aren’t for everyone, but they can provide a much more affordable option for millions of the forgotten men and women left out by the current system.”

Even some insurance companies wondered whether this relaxation of regulations was a good idea. Cigna executives raised objections to the proposed rule, worrying that consumers would end up with a cheaper short-term plan but “find themselves in need of certain benefits or protections.” Aetna suggested adding more consumer protections to the short-term plans. The largest health insurance company, UnitedHealth Group, however, recommended approval of the proposed rule “as quickly as possible.”

In the year after the rule was loosened in 2018, another 600,000 consumers turned to the policies, according to a 2020 study by congressional Democrats. While solid estimates of the total number of annual enrollees are hard to come by, they put the figure at 3 million.

Problems quickly emerged, their study said. Incentivized by larger sales bonuses, brokers were using deceptive marketing materials to sell short-term policies, the report said. It “is unclear what kind of value consumers are getting for their premium dollars,” it said, “other than a false sense of security.”

Last year, debate erupted again when the Biden administration reversed the Trump rule and restored the four-month limit on the policies. This year, though, the Trump administration announced it was again coming up with its own definition of “short-term” and would not prioritize enforcement of the Biden-era rule.

In comments for this article, the Centers for Medicare and Medicaid Services said in a statement that the short-term plans can play “a crucial role in offering stopgap coverage solutions ... and can be significantly cheaper than ACA coverage.” The agency also noted that the administration has sought to expand access to “catastrophic” health plans, a form of ACA coverage with high deductibles but lower premiums that had been limited by age and income. In 2025, 54,000 people enrolled in them, according to researchers.

In a statement for this article, UnitedHealthcare said, “Short-term plans are designed to meet consumer demand for more flexible, low-cost options, but they are not for everyone. We encourage people to make informed decisions about their health insurance coverage and compare different types of plans.”

As consumers this year are drawn to the low premiums of short-term plans, critics say the experience of people like Hays, the salesman in Fayetteville, Arkansas, may be instructive.