



NATIONAL HEMOPHILIA FOUNDATION
for all bleeding and clotting disorders

Increase Private Health Insurance Lifetime Caps

Request: Co-Sponsor S. 442/H.R. 1085, the Health Insurance Coverage Protection Act.

S. 442 and H.R. 1085 were introduced by Senators Byron Dorgan (D-ND) and Olympia Snowe (R-ME), and Representative Anna Eshoo (D-CA), respectively. The legislation increases lifetime caps on private health insurance plans to a minimum of \$10 million and provides an annual update for inflation thereafter. Setting a minimum lifetime cap will likely result in savings for federal and state governments by allowing individuals with high medical costs to maintain private insurance rather than be forced onto Medicare and Medicaid. This legislation represents an important step in healthcare reform.

Facts about Lifetime Caps

- Lifetime caps are aggregate spending limits placed on insurance benefits; once they are met the policy no longer provides coverage. First established by the insurance industry in the early 1970s, a \$1 million lifetime cap established then would be \$10.1 million today if indexed for medical inflation.
- In 2000, it was estimated that 2,500 people would exceed their lifetime cap each year. Since medical costs have far outstripped the rate of inflation, it is likely that the number of people hitting their caps is far greater today.
- Current insurance data indicate that a majority of Americans have lifetime caps on their insurance policies. According to the Kaiser Family Foundation, more than half of Americans who receive employer-sponsored health insurance face a cumulative lifetime limit – 40% of them have a cap of \$2 million or less.

Facts about Bleeding and Clotting Disorders

- Hemophilia is a rare chronic bleeding disorder affecting about 20,000 people in the United States. People with hemophilia require life-long treatment with high-cost clotting factor medications, which replace missing or deficient blood proteins that allow blood to clot and prevent debilitating and life-threatening internal bleeding episodes. Related bleeding disorders include von Willebrand disease (VWD), which may affect as many as two million Americans. Individuals with a clotting disorder – the propensity for dangerous blood clots to form – also require specialized treatment and care.
- Costs for clotting factor medications are typically \$250,000 a year per person or more. However, the development of an inhibitor (immune response to treatment), bleeding from a trauma, surgery or a variety of other complications can elevate the cost in a given year to \$1 million or more.
- For people with bleeding disorders covered by an insurance plan with a lifetime cap of \$2 million or less, their benefit limit may be reached in just a few years – or sooner if they develop complications. Even if they are able to find a way to maintain coverage, in the process they are often forced to make drastic choices that affect their employment, place of residence or even family life.

**To co-sponsor S. 442, contact Mina Addo with Senator Dorgan (4-2551) or
Scott Nolen with Senator Snowe (4-5344).**

To co-sponsor H.R. 1085, contact Erin Katzelnick-Wise with Representative Eshoo (5-8104).