



**BlueCross BlueShield  
Association**

An Association of Independent  
Blue Cross and Blue Shield Plans

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President and  
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July 11, 2017

The Honorable Ted Cruz  
United State Senate  
Washington, DC 20510

The Honorable Mike Lee  
United State Senate  
Washington, DC 20510

Dear Senators Cruz and Lee:

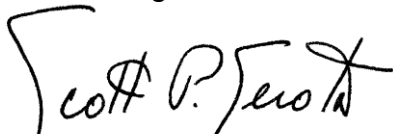
As the U.S. Senate considers the Better Care Reconciliation Act, I'm writing to make clear my view on how the "Consumer Freedom Option" is unworkable as it would undermine pre-existing condition protections, increase premiums and destabilize the market.

While Blue Cross Blue Shield Association shares the goal of improved affordability, the "Consumer Freedom Option" as reported would create two sets of rules for health insurance products offered to consumers in the individual market. If plans entering the market are not subject to guaranteed issue requirements and could engage in denials for pre-existing conditions, offer limited benefit designs and narrow networks, they would attract only healthy people from the existing market. This would make coverage unaffordable for those that remain and who may need more robust coverage because of their pre-existing medical conditions. The result would be higher premiums, increased federal tax credit costs for coverage available on exchanges, and insurers exiting the market or pricing coverage out of reach of consumers.

For more than 80 years, Blue Cross Blue Shield companies have provided secure and stable healthcare coverage in communities across the country. Given our experience and longstanding commitment to the local communities we serve, we understand what it takes to make health insurance markets work for consumers. We believe strongly that requirements must apply equally to all competitors selling insurance in state individual and small group markets. A level playing field is important to assure effective competition, choice and affordability.

If you have any questions or would like additional information, please contact Justine Handelman at 202.626.4801 or [Justine.Handelman@bcbsa.com](mailto:Justine.Handelman@bcbsa.com).

Yours in good health,

A handwritten signature in black ink, appearing to read "Scott P. Serota". The signature is fluid and cursive, with a large initial "S" and a stylized "P".

Scott P. Serota  
President and CEO