

February 26, 2018

The Honorable Mitch McConnell  
U.S. Senate  
S-230 The Capitol  
Washington, D.C. 20510

The Honorable Paul Ryan  
U.S. House of Representatives  
H-232 The Capitol  
Washington, D.C. 20515

The Honorable Charles Schumer  
U.S. Senate  
S-221 the Capitol  
Washington, D.C. 20510

The Honorable Nancy Pelosi  
U.S. House of Representatives  
H-204 The Capitol  
Washington, D.C. 20515

Dear Leader McConnell, Speaker Ryan, Leaders Schumer and Pelosi:

The undersigned organizations urge you to take quick, bipartisan action to stabilize health insurance markets and prevent premium increases for American families.

Coverage under the *Affordable Care Act* (ACA) is in peril across the country. Premiums are rising at double digit rates, and the average silver level plan deductible is \$4,034 this year, ensuring that many with health coverage will remain functionally uninsured simply because they cannot afford their cost-sharing. More insurers have left the market since the ACA's enactment than have joined, lowering competition and choices for consumers.

Addressing these shortcomings is a prerequisite step towards creating viable, competitive and workable markets for consumers. We encourage you to enact the following measures to establish the framework for future reforms that will further benefit consumers:

- **Provide Robust Reinsurance Funding:** Reinsurance funding addresses the serious market challenge created by the needs of the highest cost and sickest individuals, namely, how to ensure a stable risk pool. Members of Congress have recently proposed between \$5 to \$10 billion in annual funding. A recent analysis by the Council for Affordable Health Coverage (CAHC) found that funding of \$5 billion could lower premiums by 9-11% in 2019, effectively reversing the 10% average premium increase forecast by the Congressional Budget Office (CBO) of the repeal of the individual mandate penalty. Greater funding will reduce premiums even more. Our analysis is attached to this letter.
- **Ensure a Federal Fallback Provision to Guarantee Benefit in Every State:** Because the entire country is experiencing premium increases, reinsurance funding should be guaranteed in every state. Any legislation should include the provisions of the House-passed *American Health Care Act*, which offer a fallback mechanism for states that did not develop plans to use reinsurance funds. CBO has already acknowledged that such an approach will lower premiums nationwide. In addition, states should also have access to seed funding to stand up reinsurance pools.
- **Meaningful 1332 Reform:** States need leeway from Washington to enact reforms that meet the unique needs of their population. Commonsense changes to the ACA's state waiver

program can help make this possible. We encourage the allowance of combined, simultaneous 1332 and 1115 waivers, allow combined pass through funds from both programs, and urge you to permit their approval if both waivers are budget neutral. We further ask you to clarify that existing state authority to regulate or stabilize the individual and small group markets suffices for 1332 waivers' legislative requirement. At the same time, it is important to ensure federal policies do not provide states with the authority to preempt the Employment Retirement Income Security Act (ERISA). A patchwork of state and local mandates that require self-insured employers to play by different rules will hinder, not help, the expansion of health coverage in America.

Combined, these reforms will lower premiums in 2019 and beyond. Congress should make these reforms to help consumers, but also to save taxpayer dollars, whose subsidies are underwriting the expensive current structure. This will help pave the way for more significant reforms that will facilitate a functioning private market characterized by more choice, affordable cost sharing, and slow or declining premium growth.

We urge you to pass these changes as soon as practical to make health care more affordable and accessible for all Americans.

Sincerely,

America's Business Benefit Association  
Communicating for America, Inc.  
Council for Affordable Health Coverage  
Express Scripts  
Healthcare.com  
Healthcare Leadership Council  
HealthSherpa  
HR Policy Association  
International Cancer Advocacy Network  
National Association for the Self-Employed  
National Association of Health Underwriters  
NFP  
National Retail Federation  
U.S. Chamber of Commerce