

Congress of the United States
Washington, DC 20515

July 25, 2017

The Honorable Paul Ryan
Speaker of the House of Representatives
H-232, The Capitol
Washington, DC 20515

Dear Speaker Ryan,

We strongly support the Affordable Care Act (ACA) and oppose any effort to repeal it. While we know you and many in your conference disagree with us, we believe there is a significant point of agreement. The individual market, accounting for seven percent of health care enrollees nationwide, needs improvement.

Senate Republicans have indicated a willingness to work with Democrats to address this.

We are ready to work with you in a bipartisan manner to stabilize and improve the individual market.

The Challenge to the Individual Market

When the ACA markets opened in 2014, it was a challenge for insurers to price their products. They had little claims data on and experience with an expanded group of customers with which to make actuarially accurate predictions.

The risk mitigation programs in the ACA, which subsidize high cost enrollees, were largely successful in addressing the early pricing challenges, helping ease the adjustment period in the individual market. The risk corridor program, designed to address uncertainty in the insurance pool, encountered funding issues.

According to nonpartisan analysis, individual markets began to stabilize between 2015 and early 2017, but face issues in 2018 largely due to policy uncertainty. While we may disagree on why this is the case, the fact remains our constituents would benefit from bipartisan Congressional action to bring long-term stability and predictability to the individual market.

What Congress Can Do

Congress must address market uncertainty with clear bipartisan policies that will stabilize the individual market and protect citizens who depend on them.

These policies include:

1. Reauthorizing and making permanent federal reinsurance programs.

These programs provide a backstop against high cost medical claims while also reducing premiums in the individual and small group markets. Alaska and Oregon have taken steps to implement such programs, and both have shown promise to reduce premium increases dramatically.

A recent analysis cited by America's Health Insurance Plans estimated that if Congress provided \$15 billion to states for reinsurance, it would lower premiums by more than 14 percent. This in turn would reduce the need for tax credits. The net effect would be a reduction in overall cost of this improvement from \$15 billion to an estimated \$4 billion.

2. Funding the Cost-Sharing Reduction Subsidies (CSR).

The ACA helps millions of families purchase affordable health coverage, and helps keep out of pocket costs low through the cost sharing reduction payments. These payments reduce copays and deductibles for lower and middle-income families across the country. A Kaiser Family Foundation study found that eliminating the CSR payments would increase government spending by \$2.3 billion next year. Uncertainty about the future of the CSR program is causing extreme instability in the marketplace, the major factor forcing insurers to consider withdrawing from markets or imposing unaffordable premium increases.

We should put this uncertainty to rest. While a simple administrative directive affirming current law could return markets to stability, Congress could work on a bipartisan basis to underscore that there is an appropriation to address Republican concerns with simple technical clarifying language, at no federal cost, to guarantee the CSR payments going forward.

3. Getting more people covered, and ensuring participation.

The broader the participation in the health insurance market, the better it is for all citizens and health plans. California has essentially reached full coverage in part because Covered California has spent more on advertising than all of the federally-managed exchanges combined. We support investment in advertising during the open enrollment period, particularly to encourage the participation of the young and healthy.

All Americans will face significant health issues at some point in their lives, so we must ensure that they are covered and contribute to the insurance market. The ACA requires them to come into the market and take responsibility for their health. We support those requirements; however we recognize there are other ways to meet this goal. Some have suggested auto-enrollment or affordable plans for young people that maintain the protections offered by the ACA.

4. Ensuring quality affordable options exist.

We must continue our efforts to make health coverage more affordable for all Americans, while retaining the critical benefits that families rely on when a loved one is sick. We can do so by expanding premium assistance to directly bring down the cost of insurance. We are willing to explore options to target this assistance by age and geography as well as income.

In addition, we support providing some enrollees the option to buy in to Medicare as they approach retirement age, allowing for additional affordable and reliable options through traditional Medicare and Medicare Advantage programs.

There are other practical improvements we can make to the ACA. These include taking steps to increase competition where insurer participation is low, reducing churn in the market, and providing clear guidelines for state innovation waivers that maintain the ACA's quality standards. And where improvements to the ACA require funding, we are prepared to work with you to identify offsets to pay for them.

The cost of stabilizing the individual market is modest while the benefit to the American people is great. The only way to productively solve these challenges is by working together. We are ready to work with you and the Republican conference.

Sincerely,




PETER WELCH
Member of Congress



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Member of Congress



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Member of Congress



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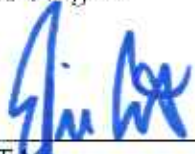

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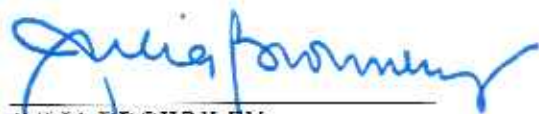
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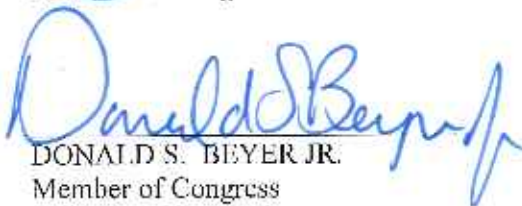
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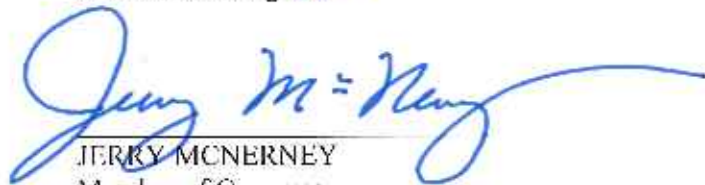
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