

October 20, 2017

The Honorable Lamar Alexander
Chair
Health, Education, Labor, and Pensions Committee
United States Senate
Washington, DC 20510

The Honorable Patty Murray
Ranking Member
Health, Education, Labor, and Pensions Committee
United States Senate
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray:

On behalf of the members of the National Association of Insurance Commissioners (NAIC) we write to express our support for the health insurance market stabilization legislation you have introduced, which reflects key policy ideas the NAIC has been recommending for some time. We thank you for including insurance commissioners representing a range of perspectives in the Committee hearings that informed the drafting process and for working together to find solutions that have bipartisan support.

As state regulators and the NAIC testified during the hearings, providing reliable federal funding to reimburse health insurance carriers for the Cost-Sharing Reduction (CSR) program assistance they give to low-income consumers will reduce premium increases, reduce federal government spending, and encourage some carriers to stay in the market. The money helps ensure lower-income Americans have access to affordable care – it is not an insurer bailout. We strongly support your plan to fully fund this program for the remainder of 2017 and through 2019. In addition, we note that for 2018 states have the tools necessary to make sure carriers do not “double dip” and continue with rates that are no longer actuarially justified once CSR reimbursement payments are resumed.

We also support the revisions to the Section 1332 waiver process that will reduce administrative obstacles to state waiver requests and provide greater flexibility to states to meet the needs of their consumers and stabilize their markets. States are best positioned to determine how to balance the need to promote competitive markets and protect consumers. Section 1332 was included in the Affordable Care Act to encourage state innovation; the proposed changes will remove some of the current barriers to this potential for innovation.

Finally, we will coordinate with the Department of Health and Human Services on standards for interstate compacts into which states can choose to enter. Expanding opportunities for interstate sales must empower states to avoid a race to the bottom, so we expect to work closely with HHS on this provision.

While we are disappointed that the bill does not include reinsurance funding or a continuation of the Health Insurance Tax moratorium, we recognize that this is a compromise package and appreciate the hard work that went into reaching agreement on challenging policy issues.

Passage of this legislation would represent an important milestone for this Congress to demonstrate bipartisan leadership on stabilizing insurance markets on which consumers in every state depend, but more can be done. State regulators look forward to working with Congress on further bipartisan reforms that will stabilize the markets, increase consumer choices, reduce premiums, and address the biggest challenge: stemming health care cost growth. In the meantime, this bipartisan bill will bring some much-needed stability to the markets in 2018 and 2019. Thank you for your leadership, and we look forward to continuing to work with your Committee on these and other issues.

Respectfully,



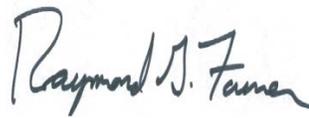
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