

Marilyn Tavenner  
President &  
Chief Executive Officer



July 27, 2017

The Honorable Mitch McConnell  
United States Senate  
Washington, D.C. 20510

The Honorable Charles Schumer  
United States Senate  
Washington, D.C. 20510

Dear Leaders McConnell and Schumer:

As the largest national association of health plans, which provide health care coverage and related services to millions of Americans, we share your commitment to affordable, high quality health care. We agree that important improvements are needed to ensure the individual market delivers lower costs and more choices. The status quo is not sustainable.

Since the start of the 115<sup>th</sup> Congress, we have worked hard to offer constructive solutions that will deliver a strong, stable individual market, as well as protect coverage and access to care for those who depend on Medicaid. Our experience has shown that these solutions are the most effective way to lower premiums, protect people with pre-existing conditions, and ensure more choices for those who buy their own coverage for themselves and their families.

We must emphasize again the need for short-term stability and longer-term improvement for Americans in the individual market. The mid-August deadline for finalizing 2018 premiums is rapidly approaching, yet significant uncertainties remain. This continued uncertainty – combined with targeted proposals that would eliminate key elements of current law without new stabilizing solutions – will not solve the problems in the individual market, and in fact will result in higher premiums, fewer choices for consumers, and fewer people covered next year. We would oppose an approach that eliminates the individual coverage requirement, does not offer alternative continuous coverage solutions, and does not include measures to immediately stabilize the individual market.

In the spirit of continuing to offer solutions that work, we strongly recommend four essential actions now:

1. Consumers' cost-sharing reduction benefit, which low- and modest-income families depend on to afford their out-of-pocket medical costs, must be appropriately funded, or premiums will rise by about 20 percent.

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2. The health insurance tax should be eliminated, so that premiums do not increase by 3 percent, which would cost hundreds of additional dollars per year for millions of Americans beginning in 2018, including seniors and small business owners, as well as states.
3. Individuals with pre-existing medical conditions should be covered and protected, and those protections must be coupled with either the individual coverage requirement or other continuous coverage solutions. Eliminating the individual coverage requirement by itself will likely result in fewer people covered and a deterioration of the risk pool, which will increase premiums.
4. A mechanism to stabilize the exchanges should be established for 2018-2019, to support care for people with serious health conditions and put downward pressure on premiums for everyone.

Our commitment has always been to provide effective, affordable health care coverage to every American. Our experience serving hundreds of millions of Americans shows that we understand how to make health insurance work for consumers. With the right solutions, we can help ensure a stronger market in 2018 – one that can be improved in the future. But policies that do not stabilize the market and simply drop incentives for people to buy coverage will repeat what we have seen in the past: premiums will rise rapidly, few or no affordable coverage options will be available, and more people will be uninsured. We stand ready to continue to work with you on solutions to ensure that the American people have affordable, high-quality choices for their coverage and care.

Sincerely,

A handwritten signature in black ink that reads "Marilyn Tavenner". The signature is fluid and cursive, with a large loop at the end.

Marilyn B. Tavenner  
President and CEO