



April 8, 2020

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

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

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
House Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

On behalf of the nation's community of health insurance providers, thank you for your continued leadership in response to the COVID-19 crisis. The consequences of the COVID-19 pandemic are extraordinary, and the steps that Congress has already taken have been critical to the ability of our health care system to respond to the needs of the public.

Our nation's health insurance providers continue to act swiftly and decisively to meet the needs of consumers, businesses, and our health care partners. Since the escalation of the COVID-19 crisis, some recent and widespread examples of those efforts include:

- Waiving key out of pocket costs and copayments for COVID-19 testing and treatment for Americans with employer-provided, individual market, Medicare Advantage, or Medicaid managed care coverage.
- Partnering with providers to accelerate patient treatment, transfers, discharges, and payments, and eliminating administrative work.
- Providing early refills on prescriptions to ensure patients have adequate supplies of the drugs they need to treat their conditions.
- Rapidly expanding access to and coverage for telehealth services, including the waiving of cost-sharing for telehealth services, to keep patients at home and out of hospital and physician offices.
- Extending additional financial flexibility to employers and individual members to help them stay covered at a time they need it most.
- Supporting frontline health care workers with donations of personal protective gear and other critically needed supplies.

Maintaining Strength, Stability and Continuity Across All Types of Coverage

Strengthening, stabilizing and maintaining coverage that people rely on today is essential — whether it is employer-sponsored, individual market, Medicare Advantage or Medicaid managed care. The steps we recommend here are necessary to assure that, to the greatest extent possible, we are able to

meet the health care needs of Americans, especially amid the biggest public health challenge in our nation's history.

Gaps in coverage can lead to serious disruptions in care and significant health consequences for American families. Unanticipated changes in coverage can cause unnecessary stress for Americans, especially for individuals who have serious or chronic health conditions. Now more than ever, we must work together to protect all Americans as they face significant, simultaneous threats caused by COVID-19:

- **First, the staggering, rapid surge in the loss of jobs could lead to an increase in the number of uninsured Americans.** A recent analysis by HMA concluded that as many as 35 million Americans could lose their employer-provided coverage, and the numbers of uninsured Americans could grow from about 29 million (2019) to 40 million – a level not seen in more than a decade.
- **Second, health insurance plans are bracing for an extraordinary increase in costs related to treating patients with COVID-19 infections, based on various expert analysis.** One [published analysis](#) estimates that COVID-19 costs could exceed \$250 billion in the U.S. health insurance provider commercial market over a one-year period. Another study indicates that that cost across several lines of business [could even top \\$500 billion over 2 years](#), depending on severity.
- **Third, these much higher health care costs must be borne at a time when premium dollars are shrinking.** With the rapidly deteriorating economy, pressures for premium payment relief from businesses, workers, and state governments are understandably intensifying. More people dropping coverage, combined with additional flexibility such as grace periods and premium relief, mean increasing financial pressure for every form of coverage.

More than 250 million Americans rely on coverage through the private market. From the 170 million who are covered through their jobs, to the 11 million covered in the individual market, to the nearly 25 million seniors who rely on Medicare Advantage, to the 60 million Americans enrolled in Medicaid managed care (MMC) plans. Amid this unprecedented health care crisis, we must ensure that they can rely on their coverage for the care and financial stability they expect and deserve.

We recommend that Congress take immediate action to help consumers maintain the health insurance coverage they have and access the coverage they need using a three-pronged approach:

Prong 1: Premium Affordability for Employers, Employees and Individuals

- For employers that seek to maintain coverage for their employees, we ask Congress to provide temporary subsidies or direct financial assistance specifically for the purpose of maintaining or providing health insurance coverage. With the crisis affecting all sectors of the economy, we recommend that this funding be made available to employers of all sizes.
- For individuals who lose their employer-sponsored coverage, or who have coverage in the individual market and are having trouble keeping up with their payments due to the crisis, we ask Congress to ensure the affordability of premiums through two temporary mechanisms. Specifically: (1) for terminated or furloughed employees, we recommend that Congress provide temporary full federal

subsidization of COBRA premiums; (2) for Americans relying on the individual market exchanges, we recommend that Congress enhance financial assistance and reduce the required contribution percentage to lower the cost of premiums.

Prong 2: Access to Coverage for Those Who Lack It Today

- To give people who are without insurance the opportunity to obtain coverage, we ask Congress to implement a one-time Special Enrollment Period (SEP) in the Federally Facilitated Exchanges. Nearly every state that operates its own marketplace has already acted either to create an SEP or to extend an already available SEP. In order for a federal SEP to be effective in meeting people's needs at this extraordinary time, it must have a prospective effective date, be limited (30 days), and not be limited to people diagnosed with COVID-19.

Prong 3: Stability for the Customers and Communities Who Rely on Coverage

To assure predictability and reliability of all types of coverage and to allow health insurance providers to continue to meet the unique needs of our customers and communities, we recommend that Congress act to ensure that health insurance providers can meet extraordinary, unanticipated costs related to COVID-19 and make other targeted COVID-related changes to promote stability. We believe stability would be best achieved by solutions narrowly tailored to each insurance market.

- *Commercial Health Insurance Market.* Specifically, in the commercial health insurance market (Individual, Small Group, Large Group, and Self-Funded) we ask that Congress provide temporary federal risk mitigation programs to support the financial stability of plans that incur extraordinary, unplanned costs in 2020 and 2021 due to COVID-19.
- *Medicare Advantage and Part D.* More than one-third of Medicare enrollees rely on Medicare Advantage (MA) plans to deliver the coverage care they need. To support this critical program, we ask that Congress implement a temporary risk mitigation program specific to Medicare Advantage to address extraordinary costs and unplanned losses from COVID-19.

To enable Medicare Advantage plans to have the resources needed to meet the needs of MA enrollees, we also ask Congress to ensure that COVID-related statutory changes in the traditional Medicare program are equitably applied and funded in Medicare Advantage and technical accommodations are made for 2021 due to COVID-related uncertainties. In addition, to protect beneficiaries from higher premiums or reduced supplemental benefits next year, we ask Congress to implement technical changes for 2020 and 2021 related to risk adjustment. These include allowing an eligible diagnosis obtained through telehealth encounters in MA risk adjustment to ensure a more complete and stable estimate of the expected health of the MA population, including those with chronic conditions.

Nearly all Medicare beneficiaries rely on Medicare Part D to deliver the prescription drugs they need to protect, maintain, and improve their health. To assure that Part D plans can deliver the future treatments that seniors may need, we ask the Congress to provide temporary assistance designed to support Part D plans in bearing the cost of drugs approved for the treatment of COVID-19 after Part D plan bids were submitted for 2020 and 2021.

- *Medicaid Managed Care Plans.* Nearly all states rely on Medicaid managed care plans to deliver high quality, cost-effective coverage and care to enrollees. These plans deliver while operating at

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extremely low margins. At this moment, 45 states and the District of Columbia have approved 1135 waivers giving states broad flexibility to change their Medicaid benefit packages within a rate year to address the COVID-19 crisis. We support the states in making these changes and are working closely every day with our state partners to deliver care to some of America's most vulnerable people.

These waivers, however, are adding medical and administrative costs not considered when states set the rates to be paid to Medicaid managed care plans. In addition, the economic impacts of the pandemic will likely result in a significant increase in Medicaid enrollment further straining precious state resources. For this reason, we ask that Congress implement a temporary federally-funded risk mitigation program in order to offset significant unplanned costs sustained by plans in 2020 and 2021 due to COVID-19. We also ask that Congress require states to set actuarially sound rates so that plans and their contracted providers have the resources they need to deliver promised care and other benefits for Medicaid enrollees.

Funding for Hospital and Provider Partners and Accessible Future Testing, Treatments and Vaccines

In addition, it remains critically important that our nation's hospitals have the essential equipment and resources to care for patients infected with COVID-19, which is why we emphatically supported the \$100 billion in emergency federal funding provided in the CARES Act. An assessment of this funding, in addition to other recent actions to advance federal funds to hospitals and providers, should be done quickly to determine if additional federal support is needed for those on the frontlines and for independent practices and rural facilities that may need extra resources at this time. Moreover, as COVID-19 testing, treatments and vaccines become widely available, we look forward to working with you to assure all Americans can access them affordably.

Conclusion

The steps we lay out here are critical to assure that people can maintain the coverage and care that they need and that health insurance providers can continue to partner with their members, provider partners and communities to provide the coverage that people count on. Thank you for the opportunity to continue to work with each of you to address this unprecedented national emergency.

Sincerely,



President and Chief Executive Officer
America's Health Insurance Plans



President and Chief Executive Officer
Blue Cross Blue Shield Association