

Marilyn Tavenner
President &
Chief Executive Officer



September 20, 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 health plans that provide health care coverage and services to millions of Americans every day, America's Health Insurance Plans (AHIP) and our members share your commitment to affordable, high-quality health care for everyone. We appreciate your continued leadership in encouraging a national dialogue about how to improve health care in America.

Throughout this debate, we have been committed to engage in a collaborative, constructive way to address existing challenges in health care, particularly in the individual market. We have worked hard to offer recommendations and solutions that will best deliver on the goals we share: More choices, lower premiums, help for those who need it, and lower costs for hardworking taxpayers.

We believe that legislative proposals that would reform and affect the coverage and care of millions of Americans should meet certain principles.

First, reforms must stabilize the individual insurance market. Stability in the individual market has always been challenging, and we are committed to making this market work. The most important solution for short-term stability is to fund cost-sharing reduction benefits, which help millions of lower-income people afford the care they need. Long term, adopting proven models of success—for example, elements of the successful Medicare Part D program—could deliver greater stability, lower costs for taxpayers, higher consumer satisfaction, and better health outcomes.

Second, Medicaid reforms must ensure the program is efficient, effective, and has adequate funding to meet the health care needs of beneficiaries. Medicaid serves a diverse population of over 70 million Americans, including some of the most medically vulnerable among us. Any Medicaid reforms must guarantee that states have sufficient resources to ensure the continuity of coverage and care that beneficiaries depend on. State flexibility can improve the program, but solutions must ensure the sustainability of Medicaid and affordability in the individual market given how people often move between programs.

Third, reforms must guarantee access to coverage for ALL Americans, including those with pre-existing conditions. No one should be denied or priced out of affordable coverage because of their health status. To ensure that coverage is more affordable for everyone, strong protections must be coupled with strong incentives that encourage individuals to maintain continuous coverage.



Fourth, reforms must provide sufficient time for everyone to prepare – from doctors, hospitals, and health plans to consumers, patients, and policymakers. States need time to plan, analyze, and make decisions that could have profound effects on their residents, local health care systems, and on their state budgets. Health care providers need time to understand how changes will affect them and their patients. Plans need time to develop new coverage products or modify existing ones. And consumers and patients need time to understand how their coverage will change.

Fifth, reforms should improve affordability by eliminating taxes and fees that only serve to raise health care costs or reduce benefits for everyone. Congress delivered relief from the health insurance tax for 2017, and eliminating the tax again for next year will lower premiums by an average of \$158 per member in the individual market.¹ Not eliminating the health insurance tax will cost consumers \$267 billion over the next ten years. Similarly, not eliminating the 40% excise tax will ultimately affect tens of millions of Americans who receive health benefits through employer-sponsored coverage.

And finally, reforms should rely on the strengths of the private market, not build a bridge to single payer systems. To best serve every American, we need both a strong private market and an effective role for and partnerships with government. Building on the choice, competition and innovation of the private sector and the strength, security and dependability of public programs is a far more effective solution than allowing states to eliminate private insurance.

The Graham-Cassidy-Heller-Johnson proposal fails to meet these guiding principles, and would have real consequences on consumers and patients by further destabilizing the individual market; cutting Medicaid; pulling back on protections for pre-existing conditions; not ending taxes on health insurance premiums and benefits; and potentially allowing government-controlled, single payer health care to grow.

While we cannot support this proposal, we will keep working to find the right solutions that reflect the commitment we all share: affordable coverage and high-quality care for every American. By working together, we can improve health care and deliver the coverage and care that every American deserves.

Sincerely,

A handwritten signature in blue ink that reads "Marilyn B. Tavenner". The signature is written in a cursive, flowing style.

Marilyn B. Tavenner
President and CEO

¹ Oliver Wyman—Analysis of the Impacts of the ACA’s Tax on Health Insurance in 2018 and Beyond. August 8, 2017. <http://www.stopthehit.com/wp-content/uploads/2017/08/Oliver-Wyman-2018-HIT-Analysis%E2%80%8E-August-8-2017.pdf>