September 25, 2017

Dear Senate Majority Leader McConnell, Senate Minority Leader Schumer, House Speaker Ryan, and House Democratic Leader Pelosi,

As current and former state insurance commissioners, we urge you to oppose the health care repeal legislation that has been proposed by Senators Bill Cassidy and Lindsey Graham. Instead, we ask that you work toward a bipartisan bill that would improve market stability. At a time when state insurance markets urgently need greater stability and predictability, this bill would go in the wrong direction.

The Cassidy-Graham bill would increase the number of people without health coverage and severely disrupt states' individual insurance markets, with sharp premium increases and insurer exits likely to occur in the short term and over time. The bill would immediately (in fact, retroactively) eliminate the individual mandate, which serves as a key incentive for healthier people to enroll in coverage, and would put no alternative incentives in place. In 2020, the Cassidy-Graham bill would eliminate both federal subsidies that help people afford private plans in the individual market and funding for expanded Medicaid, replacing them with a reduced block grant that would fail to keep up with growing costs and needs. All 50 states and the District of Columbia would have to set up their own coverage programs and make significant changes to insurance market rules by January 1, 2020 – an unreasonable timeline that hampers states' review of premium rates and insurers' efforts to price and plan for the future.

Many states would weaken or eliminate core protections that consumers in the individual market have come to rely on, such as the requirement to cover the essential health benefits and the ban on charging people higher premiums because they have pre-existing medical conditions. Instead of insurers competing based on the price and quality of their plans, they would vie to avoid the sickest enrollees and cover as few benefits as possible. Few if any states would be able to afford to offer the robust subsidies that are needed both to make coverage affordable and to ensure a stable risk pool. After 2026, the block grant funding would evaporate under Cassidy-Graham, leaving states to figure out how to fill giant holes in their budgets.

This series of disruptions – over the short, medium, and longer terms – would batter state insurance markets and the consumers that they serve. While we are strong supporters of state flexibility and state regulation of health insurance, the Cassidy-Graham bill puts states in an impossible position.

In just six weeks, open enrollment for individual-market coverage is scheduled to begin. Certainty, not further disruption, is what's needed now. We urge you to reject the Cassidy-Graham proposal and instead focus on efforts to pass bipartisan legislation that would help to stabilize the individual market.

Signed,

Current Commissioners

Jessica Altman, Acting InsuranceGordon I. Ito, Insurance Commissioner,
HawaiiCommissioner, PennsylvaniaHawaiiJohn G. Franchini, InsuranceDave Jones, Insurance Commissioner,
CaliforniaMarie Ganim, Health InsuranceMike Kreidler, Insurance Commissioner,
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Mike Rothman, Commissioner, Minnesota Department of Commerce

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Jean Straight, Oregon Insurance Director, Acting Director, Dept. of Consumer and Business Services Stephen C. Taylor, Commissioner, District of Columbia

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Former Commissioners

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J. Robert Hunter, Texas	Beth Sammis, Maryland
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