April 26, 2017

The Honorable Thomas E. Price, M.D.
Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC  20201

Dear Secretary Price:

We write to you today as the remaining insurers offering products on Pennsylvania’s health insurance exchange and the insurance regulator charged with overseeing this market and protecting the consumers that rely on it for coverage. Our goal is to work together with you to explore both innovative and common sense public policy solutions designed to stabilize Pennsylvania’s individual health insurance market and ensure its sustainability.

We collectively believe that market stability is achieved when issuers can undertake long-range planning in a stable financial and regulatory atmosphere. Over 1.1 million Pennsylvanians have accessed coverage through the Affordable Care Act (“ACA”), resulting in more Pennsylvanians receiving coverage than before its enactment and enjoying the benefits of no pre-existing condition exclusions and access to free preventive care services.

However, last year, two health insurers left Pennsylvania’s exchange market altogether. Significant rate increases were necessary to ensure continuity among remaining carriers in the market and maintain continued access to subsidized coverage for consumers in every county in Pennsylvania. Non-payment of the monies owed to insurers under the risk corridor program, lax enforcement of eligibility for special enrollment periods, and an unexpectedly higher risk profile for this population have all contributed to instability and uncertainty in the market. Despite these challenges, working together over the past year, we have put our market on a path toward stability.

Putting aside the larger political debate over the ACA, we would like to more immediately address the threat of, and uncertainty related to, rapid changes and a lack of funding. Specifically, the most immediate drivers of instability are the weakening of the individual mandate, the uncertain status of funding for the cost sharing reductions and the absence of funding for overall market stabilization measures. Additional regulatory action should be designed to minimize disruption and instability. The absence of certainty regarding market parameters, and in particular those with direct financial consequence, magnify the risks of market participation in a way that issuers and regulators cannot ignore. This, we fear, could undermine the progress we have made, reduce coverage options and significantly increase prices for millions of vulnerable Pennsylvanians (and others throughout the nation).

To avoid this, we ask you and your Department to work with us to further stabilize our market. Specifically, we ask that you continue to make cost-sharing subsidies available to help low-income Americans pay for out-of-pocket costs; ensure that the federal government continues to enforce the individual mandate to protect and improve our risk pools; and make all of the payments owed to insurers to stem any further exodus from these markets. Time is of the essence since insurers will be filing 2018 products just a few short weeks after Congress addresses the government funding deadline.
With the added certainty these actions will create, we believe rate increases in the individual market will be moderated and consumer coverage options will be preserved.

We appreciate your Department’s openness to suggested improvements for all of the coverage programs under your oversight, and we look forward to talking with you further about thoughtful regulatory changes that will make this market more appealing for insurers to sell in as well as for consumers to buy from. Please let us know how we can be a resource and a partner in achieving those goals.

Sincerely,

Teresa D. Miller, Commissioner
Pennsylvania Insurance Department

Diane Holder, CEO
UPMC Health Plan

Deborah L. Rice-Johnson, CEO
Highmark Health Plan

Yvette Bright, COO
Independence Blue Cross

Steve Youso, CEO
Geisinger Health Plan

Gary D. St. Hilaire, CEO
Capital Blue Cross

cc: The Honorable Robert P. Casey, Jr.
The Honorable Pat Toomey
The Honorable Robert Brady
The Honorable Dwight Evans
The Honorable Mike Kelly
The Honorable Scott Perry
The Honorable Glenn Thompson
The Honorable Ryan Costello
The Honorable Pat Meehan
The Honorable Brian Fitzpatrick
The Honorable Bill Shuster
The Honorable Tom Marino
The Honorable Lou Barletta

The Honorable Keith Rothfus
The Honorable Brendan Boyle
The Honorable Michael Doyle
The Honorable Charlie Dent
The Honorable Lloyd Smucker
The Honorable Matt Cartwright
The Honorable Tim Murphy