December 11, 2019

Honorable Teresa Miller, Insurance Commissioner

Pennsylvania Insurance Department

13th Floor Strawberry Square

Harrisburg, PA 17120

**Re: The PA Insurance Department 1332 Innovation Waiver**

Dear Commissioner Miller,

The American Heart Association (AHA) appreciates the opportunity to submit comments on Pennsylvania’s Section 1332 Waiver Application for a reinsurance program.

The AHA believes everyone, including Medicaid enrollees, should have access to quality and affordable health coverage. As the nation’s oldest and largest organization dedicated to fighting heart disease and stroke, the AHA represents over 100 million patients with cardiovascular disease (CVD) including many who rely on Medicaid as their primary source of care.

Nationally, twenty-eight percent of adults with Medicaid coverage have a history of cardiovascular disease. Medicaid provides critical access to prevention, treatment, disease management, and care coordination services for these individuals. Because low-income populations are disproportionately affected by CVD – with these adults reporting higher rates of heart disease, hypertension, and stroke – Medicaid serves as the coverage backbone for the healthcare services these individuals need.

The American Heart Association supports the use of reinsurance programs to strengthen state marketplaces. Reinsurance is an important tool to help stabilize health insurance markets and have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.[[1]](#endnote-1) Analysis by Avalere of the seven states that have already created their own reinsurance programs through Section 1332 waivers found that these states reduced individual market premiums by an average of 19.9 percent in their first year.[[2]](#endnote-2)

Pennsylvania’s proposal to create a reinsurance program will reduce premiums and increase the number of individuals obtaining health insurance through the individual market. This would help patients with pre-existing conditions, including patients with CVD, obtain affordable, comprehensive coverage.

The American Heart Association believes the 1332 State Innovation Waiver will help stabilize the individual market in Pennsylvania and protect patients and consumers. Thank you for the opportunity to share our thoughts with you as you work to address this issue. If you have any questions or would like to discuss these comments further, please contact Tina Zuk, Regional Government Relations Lead for the AHA at Tina.Zuk@heart.org or (802) 578-3466.

Sincerely,



Tina Zuk

Regional Government Relations Lead

1. American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes.* January 2017. Retrieved from <https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf>. [↑](#endnote-ref-1)
2. Avalere. *State-Run Reinsurance Programs Reduce ACA Premiums by 19.9% on Average.* March 2019. Retrieved from <https://avalere.com/press-releases/state-run-reinsurance-programs-reduce-aca-premiums-by-19-9-on-average>. [↑](#endnote-ref-2)