



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.

**Office of the Insurance Commissioner**

1326 Strawberry Square | Harrisburg, Pennsylvania 17120 | Phone: 717.783.0442 | Fax: 717.772.1969  
[www.insurance.pa.gov](http://www.insurance.pa.gov) | [ra-in-commissioner@pa.gov](mailto:ra-in-commissioner@pa.gov)

April 26, 2017

Page 2 of 2

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,



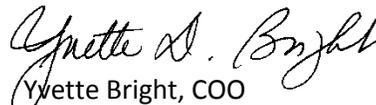
Teresa D. Miller, Commissioner  
Pennsylvania Insurance Department



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