

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 Insurance
Commissioner, Pennsylvania**

**John G. Franchini, Insurance
Superintendent, New Mexico**

**Marie Ganim, Health Insurance
Commissioner, Rhode Island**

**Gordon I. Ito, Insurance Commissioner,
Hawaii**

**Dave Jones, Insurance Commissioner,
California**

**Mike Kreidler, Insurance Commissioner,
Washington**

**Mike Rothman, Commissioner, Minnesota
Department of Commerce**

**Marguerite Salazar, Colorado Insurance
Commissioner**

**Jean Straight, Oregon Insurance Director,
Acting Director, Dept. of Consumer and
Business Services**

**Stephen C. Taylor, Commissioner, District of
Columbia**

**Maria T. Vullo, Superintendent of Financial
Services, New York**

Former Commissioners

Joel Ario, Oregon and Pennsylvania

Brian Atchinson, Maine

Jane L. Cline, West Virginia

John Garamendi, California

Steven M. Goldman, New Jersey

Jorge Gomez, Wisconsin

Thomas E. Hampton, District of Columbia

J. Robert Hunter, Texas

Alessandro Iuppa, Maine

Mila Kofman, Maine

Christopher F. Koller, Rhode Island

Steven B. Larsen, Maryland

Monica Lindeen, Montana

Sally McCarty, Indiana

Michael McRaith, Illinois

Teresa D. Miller, Oregon and Pennsylvania

Lawrence Mirel, District of Columbia

John Morrison, Montana

Earl Pomeroy, North Dakota

Sandy Praeger, Kansas

Beth Sammis, Maryland

Kathleen Sebelius, Kansas

Karen Weldin Stewart, Delaware

Susan E. Voss, Iowa

William P. White, District of Columbia