



POLICY & ACTION FROM CONSUMER REPORTS

The Honorable Senator Lamar Alexander
Chairman,
U.S. Senate Committee on
Health, Education, Labor & Pensions

The Honorable Senator Patty Murray
Ranking Member,
U.S. Senate Committee on
Health, Education, Labor & Pensions

September 5, 2017

Dear Senator Alexander and Senator Murray:

On behalf of Consumers Union, the public policy division of nonprofit Consumer Reports, we write to express our support for the bipartisan HELP Committee hearing on stabilizing the insurance markets. Consumers Union has a long history of working for a fairer and more just marketplace for consumers. We believe all Americans deserve care and coverage that is accessible, affordable, understandable, fairly priced, and meets high, consistent standards for quality and safety. The Affordable Care Act was an important step towards this goal, allowing more than 20 million consumers to purchase private insurance through exchanges or benefit from the Medicaid expansion, thus lowering the uninsurance rate in our nation to its lowest point ever.

The ACA is credited for expanding healthcare coverage to more than 20 million consumers. At the same time, as examined in Consumer Reports, [How the ACA Drove Down Personal Bankruptcies: A look at how expanded healthcare helped cut the number of filings by half](#), consumer protections in the ACA are correlated with a decline in bankruptcies as American families were protected from the threat of financial ruin due to a costly healthcare event. We thank Congress for securing these gains.

We urge you to protect the Medicaid program and to separate it from discussions on how to improve the private health insurance market. We also urge you to enact the following three components to provide needed stability to the individual and small group markets. More details on these recommendations are available online in our [fact sheet](#).

Permanently fund the Cost-Sharing Reduction (CSR) payments

Month-to-month uncertainty about whether CSR payments will be made to carriers has become a source of severe stress on the individual and small group private health insurance markets. This uncertainty for carriers reverberates down to consumers, who face the prospect of insurers leaving the market or dramatically increasing rates. And it affects *all* consumers, regardless of income, in the form of increased premiums for all as insurers seek to defray the potential loss of CSR payments. Consumers Union, therefore, joins the bipartisan call for CSRs to be funded through Congressional appropriation.

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Create permanent reinsurance program based on the previous and successful federal reinsurance program

The Affordable Care Act's temporary reinsurance program was designed to ease the transition for insurers into an underwriting-free health insurance market, and to cushion health insurance enrollees from the high premiums needed to cover the costs of a small number of high-cost enrollees. This program worked well for its three-year term. Support for reinsurance from health policy experts from both sides of the aisle, and 1332 waiver requests from states endeavoring to start their own reinsurance programs, demonstrates the effectiveness and popularity of this type of market stabilization program. We, therefore, strongly encourage you to make reinsurance a permanent feature in order to address affordability of individual and small group insurance and improve insurer confidence in the market.

Ensure the broadest risk pool possible by maximizing enrollment

A key to keeping health insurance markets stable and robust is having a healthy mix of individuals in a broad risk pool. To that end, it is critically important that steps are taken to maximize enrollment. We therefore recommend the common sense approach of well-funded outreach and enrollment efforts during the open enrollment period, as well as for consumers eligible for the special enrollment period. We also encourage Congress to resolve the "family glitch" so families that have been locked out of insurance because of cost can attain coverage and broaden the risk pool.

We thank the Senate Committee on Health, Education, Labor & Pensions for its bipartisan approach to strengthening the private insurance market and urge you to continue to hold public hearings, to solicit input from diverse stakeholder experts, and to proceed in a transparent and bipartisan manner. We believe the public deserves a complete score from the CBO on any proposal that comes out of your committee to understand the coverage and financial impacts. We urge you to prioritize the health and financial well-being of consumers, to oppose any repeal of the ACA, and to instead continue to pursue bipartisan legislation to stabilize the health insurance marketplace.

We thank you and the other Senators who are working in a bipartisan manner toward this end to improve healthcare coverage and affordability for all consumers.

Sincerely,



Elizabeth Imholz
Special Projects Director

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Dena B. Mendelsohn
Staff Attorney

Cc: Senate Health, Education, Labor & Pensions Committee