

Congress of the United States
House of Representatives
Washington, DC 20515

April 26, 2018

The Honorable Dannel P. Malloy
Governor
Office of the Governor
210 Capitol Avenue
Hartford, Connecticut 06106-1535

Dear Governor Malloy,

We write to you to request your assistance in protecting our constituents' health insurance and reducing out of pocket health care costs for working families. Unfortunately, the Trump Administration and Congressional Republicans have actively pushed policies that depress enrollment in health insurance, and raise premiums and out of pocket costs for middle class families. The Trump Administration cut funding for Marketplace advertising by 90 percent, slashed in-person assistance through the navigator program and increased premiums for middle class families by unilaterally refusing to pay cost sharing reductions. These actions have had devastating consequences for working families. According to the latest data from Gallup, 3.2 million fewer people had health insurance coverage during the first year of the Trump Administration, relative to 2016.

The repeal of the individual mandate beginning in 2019 and proposed Trump Administration regulations on short-term limited-duration plans and association health plans will further destabilize the individual market and raise costs for American families. According to a recent analysis conducted by the Urban Institute, the elimination of the individual mandate, coupled with the Administration's efforts to sabotage the ACA, will increase 2018 premiums by 18.2 percent on average (in states that do not prohibit or limit short term plans), and will result in 6.4 million more people uninsured in 2019.¹ The analysis estimates that the state of Connecticut will see an estimated 21 percent increase in the number of uninsured. In addition, premiums in ACA compliant plans in Connecticut would increase by 16.5 percent due to the expansion of STLD plans and the elimination of the individual mandate.

In the absence of a commitment from President Trump and the Republican-led Congress to protect Americans' access to health care, States can and must step up to ensure families are

¹ Linda J. Blumberg et. al, *The Potential Impact of Short-Term Limited-Duration Policies on Insurance Coverage, Premiums, and Federal Spending* (Feb. 2018) (www.urban.org/sites/default/files/publication/96781/stld_draft_0226_finalized_0.pdf).

protected from crushing health care costs, by ensuring access to affordable insurance that covers needed benefits.

There are a number of actions at the state level that would help increase coverage and improve the affordability of care for families in our state that will also counteract the harmful work of Republicans in Washington. I urge you to work to implement some or all of these options to help ensure stability and lower costs for our residents. Six potential options are listed below:

Protect state residents by limiting the sale of sub-par junk insurance plans.

The Trump Administration has further weakened consumer protections by allowing plans to be sold that do not meet basic benefit or financial protection standards. These junk plans would return patients to the days where only upon illness did they discover their plans imposed unreasonable limits on coverage and excluded needed benefits. In the past, consumers faced more than \$100 million in unpaid claims when fly-by-night companies purporting to sell insurance became insolvent. In addition, expanding access to junk insurance plans negatively affects the risk pool in the ACA-compliant market, thereby increasing premiums for middle class families. While the Trump Administration has loosened federal regulations, strong state protections can prevent such plans from appearing in the state market to scam unknowing customers. For example, states could blunt the destabilizing effect of a proposed regulation on short-term limited duration plans by requiring that these plans comply with key consumer protections, or by limiting the duration of these plans and preventing renewals.² Governors and Insurance Commissioners should act pre-emptively to keep bad actors out of the insurance market.

Boost coverage (and lower costs) by increasing outreach, enrollment and marketing.

States can increase efforts to connect consumers to coverage and increase awareness of the insurance marketplaces. While the Trump Administration dramatically cut the budget for marketing and outreach, and has refused to use funds designated for these purposes, states can and should redouble on the ground efforts, including marketing targeted at hard to reach groups. Awareness of the marketplaces and available financial assistance remain very low, and younger and healthier consumers are more likely to remain uninsured without significant advertising campaigns. Investments in outreach, enrollment and marketing help ensure a diverse risk pool, bringing premiums down for consumers. For instance, Covered California estimates that its extensive investment in marketing and outreach has translated into 6-8 percent lower premiums.³ States interested in conducting outreach could ask that federal funds currently not being used for their intended purposes be sent directly to the states for their own outreach and marketing efforts.

² Jeanne Lambrew et. al., *Recommended Actions For States to Protect Their Health Insurance Markets*, Health Affairs (Jan. 22, 2018) (www.healthaffairs.org/doi/10.1377/hblog20180117.926755/full).

³ Covered California, *Marketing Matters: Lessons From California to Promote Stability and Lower Costs in National and State Individual Insurance Markets* (Sept. 2017) (http://hbex.coveredca.com/data-research/library/CoveredCA_Marketing_Matters_9-17.pdf).

Strengthen state oversight of the individual market to improve plan participation and lower costs.

State regulators in all states can work with plans to ensure that every rating area has a plan available and increase competition to reduce costs and increase choice. Demonstrating this commitment and increasing communication with issuers at the state level has the potential to reverse the Trump Administration's ongoing efforts to sabotage the individual market.

Protect consumers by ensuring their health plan provides essential health benefits, like hospital care or prescription drugs.

While Republican legislative attempts to undermine critical health benefits like maternity care and prescription drugs have not succeeded to date, the Trump Administration is considering steps that would allow plans to charge more for certain life-saving benefits or allow plans to exclude certain needed items from coverage altogether. States and localities have the opportunity to demonstrate the importance of these essential health benefits and ensure equal access to needed care by passing their own requirements to protect residents and bolster the intent of current law and regulations.

Use existing Affordable Care Act (ACA) authority to craft a reinsurance program to reduce health insurance premiums.

A number of states have sought State Innovation waivers under Section 1332 of the ACA to create reinsurance funds to stabilize the individual market. These funds protect consumers from dramatic premium increases by paying claims above a certain limit or paying for claims for certain specific high-cost conditions. Removing these claims or conditions through reinsurance allows plans to reduce premiums for other consumers.

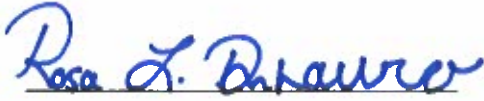
Broaden the insurance risk pool by passing a state-level individual mandate or similar policy designed to boost enrollment.

Passing a state level individual mandate would both increase coverage and reduce premiums for consumers. After Massachusetts passed its own individual mandate prior to the ACA, premiums decreased by double digits and coverage increased from 70 to 92 percent. The Congressional Budget Office projects that the repeal of the individual mandate in the Republican tax law will result in 13 million people losing coverage and 10 percent higher premiums each year. Restoring the mandate at the state level would help insulate states (and insurance premiums) against these adverse effects.

While it is clear that Republicans in Washington will continue their efforts to undermine insurance coverage, eliminate consumer protections, and increase out of pocket health costs for middle class families, taking some or all of the steps outlined above could help mitigate the impact of their actions. In fact, these efforts could even lower costs and increase coverage in our state.

We look forward to working with you and your administration to help make these options a reality. Thank you for your consideration.

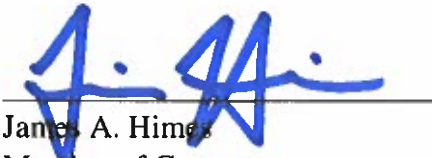
Sincerely,




Rosa L. DeLauro
Member of Congress



Joe Courtney
Member of Congress



James A. Himes
Member of Congress



John B. Larson
Member of Congress



Elizabeth H. Esty
Member of Congress