NAIC National Association of Insurance Commissioners
& The Center for Insurance Policy and Research

April 19, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Kevin McCarthy
Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Steve Scalise
Majority Whip
U.S. House of Representatives
Washington, DC 20515

The Honorable Steny Hoyer
Minority Whip
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Ryan, Majority Leader McCarthy, Minority Leader Pelosi, Majority Whip Scalise, and Minority Whip Hoyer:

On behalf of the nation's state insurance commissioners, the primary regulators of U.S. insurance markets, we write today to urge Congress to fully fund the cost-sharing reduction payments for FY2017 in the upcoming continuing resolution, and to commit to fully funding the program for FY2018. Your action is critical to the viability and stability of the individual health insurance markets in a significant number of states across the country.

State regulators have had numerous discussions with health insurance carriers in their states about rates and participation in the individual market in 2018. As you know, there is increasing concern that more carriers will pull out of this market and rates will continue to rise, leaving consumers with fewer and more expensive options, if they have any options at all. This is not a theoretical argument – carriers have already left the individual market in several states, and too many counties have only one carrier remaining. The one concern carriers consistently raise as they consider whether to participate and how much to charge in 2018 is the uncertainty surrounding the federal cost-sharing reduction payments.

As long as the court case, *House v. Price*, remains unresolved and federal funding is not assured, carriers will be forced to think twice about participating on the Exchanges. Even if they do decide to participate, state regulators have been informed that the uncertainty of this funding could add a 15-20% load to the rates.

The time to act is now. Carriers are currently developing their rates for 2018 and making the decision whether to participate on the Exchanges, or even off the Exchanges, in 2018. Funding the cost-sharing reduction payments will go a long way toward stabilizing the individual markets in our states while legislative replacement and reform options are debated in Congress.

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Of course, additional legislative actions will be necessary to fully stabilize this very volatile market, especially in states with very few carriers and skyrocketing premiums. As we said in our January 6, 2017, letter, state regulators are committed to working collaboratively with the new Congress on a non-partisan basis to address those issues that relate to insurance and in developing and implementing any changes to the regulatory landscape. As your partners in government, we look forward to working with you as we all seek to make health insurance coverage more affordable and accessible.

Sincerely,

Theodore K. Nickel
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Commissioner
Wisconsin Office of the
Commissioner of Insurance

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