



October 18, 2017

Chairman Lamar Alexander and Ranking Member Patty Murray
U. S. Senate Committee on Help, Education, Labor, and Pensions
428 Senate Dirksen Office Building
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray:

On behalf of the National Association of Health Underwriters (NAHU), I am pleased to offer our support for the Murray-Alexander Individual Market Stabilization Bill. The National Association of Health Underwriters (NAHU) represents more than 100,000 licensed health insurance agents, brokers, general agents, consultants and employee benefits specialists. The members of NAHU work on a daily basis to help millions of individuals and employers purchase, administer and utilize health insurance coverage.

Over the past year we have become increasingly concerned about the future of cost-sharing reduction (CSR) payments, and we are pleased that the stabilization bill includes funding for CSRs to be continued through 2019. As you know, CSR payments are not an insurer bailout, and doing away with this critical program will further deteriorate an already unstable individual market and hurt consumers who depend on these programs to make their health care affordable, leading to fewer choices, less access and even higher premiums. Many health insurance carriers have already left the individual market, and far too many counties only have one carrier remaining. Funding these payments will go a long way toward stabilizing the individual markets while members of Congress debate further ACA reform efforts.

We are also pleased with the streamlining of the 1332 state waiver process. Allowing governors to approve state waiver applications instead of having to go through the state legislature will allow states to act much more quickly in approving an application and will be even more valuable to those states that do not have year-long or even annual legislative sessions and were already at a disadvantage in trying to approve state action for a waiver. Shortening the Administration's review time, as well as expediting review for states in emergency circumstances, will require the Administration to provide states with a timely approval. This will enable states to act while the waiver application is still appropriate instead of receiving approvals up to six months after the application was submitted, when circumstances may have changed, resulting in a waiver approval that may not be as impactful as it would have been if approved earlier.

While it is important to streamline the application and approval process for 1332 waivers, we believe it is equally important to maintain the core protections and guardrails of the waiver system. We are pleased that the



stabilization bill maintains the core guardrails of the 1332 waivers, but only modifies the “affordability” guardrail. This will allow true state innovation to create value-based insurance designs while keeping protections to ensure comparable affordability for vulnerable populations. Although we support the loosening of this guardrail, we believe that some limitations on 1332 waivers need to be kept in place to ensure that states do not use expanded flexibility under the waiver system for unintended purposes such as setting up their own single-payer system or taxing self-funded plans, which may have been possible under previously proposed bills.

We appreciate your leadership on this important proposal for market stabilization, and look forward to working with you and your colleagues in enacting this bipartisan legislation.

Sincerely,

Janet Stokes Trautwein

Executive Vice President and CEO
National Association of Health Underwriters