

Congress of the United States
Washington, DC 20515

May 17, 2018

The Honorable Rick Scott
Governor
State of Florida
400 S. Monroe Street
Tallahassee, FL 32399

RE: Act to Protect Floridians from Higher Health Insurance Premiums Driven by Republican Sabotage to Affordable Health Care

Dear Governor Scott,

We are very concerned that the Republicans in Congress and the Trump Administration continue to sabotage affordable health care for Florida families and that such sabotage likely will result in increases in health insurances premiums in coming months. We urge you to work with us to protect Florida families from the escalating health insurance costs and reduce out of pocket health care costs.

Over 1.7 million Floridians are enrolled in Marketplace health insurance plans under the Affordable Care Act (ACA) – more than any other state so the sabotage has a larger and more serious impact on Florida than anywhere else in the United States. Since the passage of the ACA, Republicans have worked on a national and state level to eliminate the law despite the fact that millions have received comprehensive health coverage through the ACA and enjoy new consumer protections such as the end to discrimination based upon preexisting conditions and coverage of children to age 26.

While public outrage last year over the Republican plan to weaken the ACA, Medicare and Medicaid helped defeat the outright dismantling of health care in America as we know it, the Trump Administration and other Republican efforts have been implemented to depress enrollment and raise premiums and out of pocket costs for working families. The Trump Administration cut funding for Marketplace advertising by 90 percent, slashed in-person assistance through the navigator program and increased premiums for working families by unilaterally refusing to pay 2017 cost-sharing reductions. These actions have had devastating consequences for working families. According to the latest data from Gallup, 3.2 million fewer people across the country had health insurance coverage during the first year of the Trump Administration, relative to 2016.

Furthermore, according to a recent analysis conducted by the Urban Institute, the elimination of the individual mandate and the Administration's push for "junk" health insurance plans will further destabilize the individual market and raise costs for Florida families. The analysis

estimates that our neighbors could see premiums increase by 16.9 percent and over 600,000 Floridians could be uninsured or underinsured all due to the sabotage.^[1] This is counterproductive and wrong for Florida families.

In the face of such intentional efforts to inflict higher costs on Floridians by President Trump and the Republican-led Congress, we are calling on you to work with us to protect Floridians' access to health care. We understand that you do not have a great track record on standing up for health care access and affordability for Florida families, but certainly you must be sensitive to the fact that so many will be faced with crushing health care costs and that action now is required.

There are a number of actions at the state level that you can take to help increase health coverage and improve the affordability of care for families that will mitigate the harm and higher costs facilitated by Republicans in Washington. We urge you to work to implement some or all of these options to help ensure stability and lower costs for our neighbors. 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 vital 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 our neighbors. While the Trump Administration has detrimentally weakened federal regulations, strong state protections can prevent such plans from appearing in the state market to scam unknowing customers. For example, Florida 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] To help ensure Floridians are not harmed, you and Commissioner Altmaier should act pre-emptively to keep bad actors out of the insurance market.

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

The Trump Administration has dramatically cut its commitment to outreach and enrollment efforts in Florida by slashing the budget for marketing and outreach and refusing to use funds designated for these purposes. Recently the Administration kept up its attack on enrollment by striking the requirement that Navigators must maintain a physical presence in the service area. The Navigator initiatives in Florida have been so successful in part because the folks running these

^[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).

^[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).

programs live and work in the areas they are assisting. This seems like a no-brainer and the policy reversed by the Administration should be reinstated for the benefit of Floridians.

With the lack of federal commitment, Florida should step up efforts to connect consumers to coverage and increase awareness of the Marketplace. We are fortunate to have so many knowledgeable groups who could help with the ground efforts, including marketing targeted at hard to reach groups. Our Navigators in Florida are leading the country in outreach and enrollment, but they could have enrolled even more of the 12 percent of Floridians lacking health coverage if they had sufficient support from the Administration or the State of Florida. In part due to these factors, awareness of the marketplaces and the available financial assistance to help pay for insurance 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, bring premiums down for consumers and provide coverage for younger and healthier consumers who, despite the fact that they are a lower risk statistically, are not immune to disease and accident. For instance, Covered California estimates that its extensive investment in marketing and outreach has translated into 6-8 percent lower premiums.^[3] Florida could request that federal funds currently not being used for their intended outreach purposes be sent to non-profit organizations, like Navigators, in our state with successful track records. Thus expanding coverage and reducing premiums.

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

Like the current Administration, Florida has often not measured up to its responsibility to help lower costs for Floridians. The Legislature – with your concurrence – eliminated the power of the Insurance Commissioner to protect consumers and review and negotiate health insurance rates for two years. One way to strengthen state oversight is to encourage Florida’s Insurance Commissioner to 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, making it clear that the Insurance Commissioner has the necessary authority and increasing communication with issuers at the state level has the potential to reverse the 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 Congressional Republican legislative attempts to undermine critical health benefits like maternity care and prescription drugs have not succeeded to date, the 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.

^[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).

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

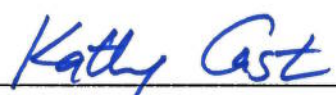
A number of states have sought State Innovation waivers under Section 1332 of the ACA to create reinsurance funds to stabilize the individual market. These funds protect consumers from dramatic premium increases by paying claims above a certain limit or paying for claims for certain specific high-cost 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-policy designed to boost enrollment.


Passing a state level policy designed to boost enrollment which would both increase coverage and reduce premiums for consumers. After Massachusetts passed its own provisions that got all into the risk pool – especially young and healthy individuals - premiums decreased by double digits and coverage increased from 70 to 92 percent. The Congressional Budget Office projects that recent provisions in the Republican tax law that reduce broad participation in the insurance pools will result in 13 million people losing coverage and 10 percent higher premiums each year for those of us who have insurance. Measures at the state level to encourage participation in insurance pools would help insulate our constituents and yours - all Floridians (and their insurance premiums) - from these adverse effects that result from these national negative actions.


Republicans in Washington have proven to be incapable of crafting a replacement for the ACA that would increase coverage and lower costs for Florida families and they remain unwilling to seriously engage in bipartisan improvements to the ACA. For the sake of our constituents, we urge you to take action to mitigate the impact of their harmful actions and inability to solve the problems that exist in our insurance markets today. We stand ready to work with you and thank you for your consideration.


Sincerely,

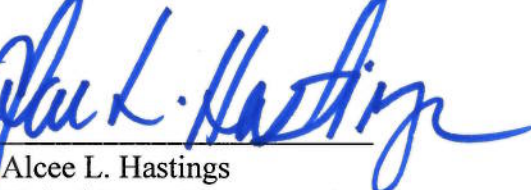

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