COMMITTEE ON
EDUCATION AND THE WORKFORCE
U.S. HOUSE OF REPRESENTATIVES
2176 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6100

June 23, 2023

Joel White, President
Council for Affordable Health Coverage
440 First Street NW, Suite 430
Washington, DC 20001

Dear Mr. White:

Thank you again for testifying at the April 26 Subcommittee on Health, Employment, Labor, and Pensions hearing on "Reducing Health Care Costs for Working Americans and Their Families."

Enclosed are additional questions submitted by Subcommittee members following the hearing. Please provide written responses no later than July 14, 2023, for inclusion in the hearing record. Responses should be sent to Michael Davis of the Committee staff who can be contacted at (202) 225-7101.

We appreciate your contribution to the work of the Subcommittee.

Sincerely,

Bob Good
Chairman
Subcommittee on Health, Employment, Labor, and Pensions

Enclosure

Questions for the Record for Joel White

HELP Subcommittee Hearing
"Reducing Health Care Costs for Working Americans and Their Families"
April 26, 2023
10:15 a.m.

Chairwoman Virginia Foxx (R-NC)

1. At the April 26 hearing, several Subcommittee members discussed the benefits of expanding the Medicare *Inflation Reduction Act* price controls to apply to employers. What are the costs and benefits of this approach?

2. At the April 26 hearing, several Subcommittee members discussed the benefits of applying caps on insulin costs in commercial markets. What would be the impact of this approach should Congress adopt it?

3. One of the witnesses at the April 26 hearing made several claims about association health plans (AHPs), including the following:

   - AHPs have a long history of fraudulent practices and solvency problems.[1]
   - Insurers and associations vie for employers' business by offering low 'teaser' premium rates and using underwriting or other tactics to cherry-pick and enroll the healthiest employer groups in the market (something ACA[*Affordable Care Act*]-compliant plans are prohibited from doing).[2]
   - Some AHP sponsors argue that they achieve lower premiums because they are somehow exercising market clout. This is a fallacy. If they are not engaged in risk selection, then the primary way to reduce costs is to negotiate lower reimbursement rates with providers. It is highly improbable that AHPs are able to do this better than traditional insurers.[3]

   What are your responses to these claims?

4. At the April 26 hearing, a witness testified that the *Self-Insurance Protection Act* would encourage the proliferation of level-funded plans in the small group market, posing two primary risks. The witness stated:

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[1] *Reducing Health Care Costs for Working Americans and Their Families: Hearing Before the Subcomm. on Health, Emp., Lab., & Pensions of the H. Comm. on Educ. & the Workforce*, 118th Cong. (Apr. 26, 2023) (statement of Sabrina Corlette, Research Professor & Co-Dir., Ctr. On Health Ins. Reforms, Georgetown Univ. McCourt Sch. of Pub. Pol'y), https://edworkforce.house.gov/uploadedfiles/4.26.23_health_care_costs_hearing_corlette_testimony_final.pdf.
[2] *Id.*
[3] *Id.*

> First, many small employers are not sophisticated purchasers of health benefits and may not realize the financial risks and fiduciary duties they take on when they self-fund their plan…. Second, if small employers with younger, healthier employees shift to level-funded products in significant numbers, it will leave employers with older, sicker workers in the fully insured small group market. This causes adverse selection and, in the worst cases, an insurance "death spiral," in which premium rates rise for employers whose groups cannot pass the stop-loss issuers' underwriting. Those with young and healthy workers pay less (although they could have unexpected financial liability if an employee gets sick), while employers with older, less healthy workers pay more. As with AHPs, the legislation does nothing to address the underlying reason why there is an affordability crisis for employer-based insurance: the prices that commercial insurers pay for provider services and prescription drugs.[4]

What are your responses to these claims?

5. At the April 26 hearing, a witness testified that under H.R. 824, the *Telehealth Benefit Expansion for Workers Act of 2023*,

> [T]elehealth stand-alone plans would be available to all employees (and potentially dependents), even those eligible for group health benefits. And as excepted benefits, telehealth plans would be exempt from the rules that apply to employer group health plans, including MHPAEA [*Mental Health Parity and Addiction Equity Act*]. Doing so creates the risk that employers, particularly those with lower-income workers, will substitute a telehealth-only benefit for a comprehensive group health plan.[5]

   a. Does anything in H.R. 824 exempt employers from their requirements to offer a 60 percent actuarial value plan or from their obligations under ACA Section 6055 (related to reporting of minimum essential coverage) or ACA Section 6066 (related to reporting of information about health coverage provided to full-time employees in order to administer the employer shared responsibility provisions of Section 4980H of the Internal Revenue Code)?

   b. If an employer fails to offer comprehensive qualified coverage, they are subject to penalties. Considering this, do you expect employers to drop qualified coverage in favor of standalone telehealth benefits?

Rep. Michelle Steel (R-CA)

1. Telehealth has been a critical tool to ensure patients can continue to access quality, affordable health care from their providers and to address workforce shortages

[4] *Id.*
[5] *Id.*

throughout the COVID-19 pandemic. Increased access to telehealth has benefited a range of patients in my district, including seniors, high-risk patients, and patients located in suburban areas. While Congress has taken many steps to extend access to telehealth beyond the PHE, including by extending the CARES Act flexibility I have championed allowing Americans with health savings accounts to access telehealth services without meeting their deductible through 2024, certain populations are at risk of losing access to this life-changing modality without further action. During the PHE, the Departments of Labor, HHS, and the Treasury allowed employers to offer coverage for telehealth and other remote care services to employees who were not otherwise eligible for any group health plan offered by their employer. The Telehealth Benefit Expansion for Workers Act of 2023 (H.R. 824) would make this policy permanent. The option for employers to offer standalone telehealth coverage to their employees was not included in the Consolidated Appropriations Act, 2023 and will therefore end on May 11, 2023.

a. How do you anticipate this will impact access to care for such individuals who benefited from this policy?

b. Can you share examples of how employers have leveraged this policy throughout the pandemic and the impact it has had on their employees?

Rep. Susan Wild (D-PA)

1. Hospitals and hospital outpatient departments (HOPDs) play a critical role in providing many communities—including my own—with reliable access to high-quality health care. What is your response to concerns that site-neutral payment policies could lead to hospital closures and reduce patients' ability to consistently access high-quality health care services, especially in rural communities?