

February 13, 2019

The Honorable Anna G. Eshoo  
Chairwoman  
Subcommittee on Health  
Committee on Energy and Commerce  
United States House of Representatives  
Washington, DC 20515

Dear Chairwoman Eshoo:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, and our clinical partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, we thank you for holding this hearing on legislation to strengthen our health care system. We look forward to working with you and the rest of the Committee to address the important issues in the legislation being considered today (H.R. 986, H.R. 987, H.R. 1010 and H.R. 1143).

The AHA is committed to expanding affordable, high-quality health coverage. We have expressed our support for solutions to both lower the cost of coverage and provide greater choice among plans, including by supporting federal and state reinsurance programs, increasing outreach and enrollment assistance, and funding the cost-sharing reduction subsidies. These approaches retain vital consumer protections while supporting greater enrollment and reducing costs by better balancing the marketplace risk pools. In contrast, short-term, limited-duration insurance products could harm consumers by providing inadequate access to care and subjecting them to much higher out-of-pocket spending when illness or injury occurs.

While short-term, limited duration plans may be attractive to patients looking for lower premiums, there are serious drawbacks to using these types of plans as a primary source of coverage. These plans do not offer the level of protection that patients need over the long term because it is not possible to fully evaluate what one's health care needs will be in advance. Even well-informed patients who knowingly enroll in these limited plans anticipating very little need for care could find themselves diagnosed with a serious condition or in an accident, with no coverage to help them with their unexpected medical costs. H.R. 1010 and H.R. 1143 would take important steps to prevent the



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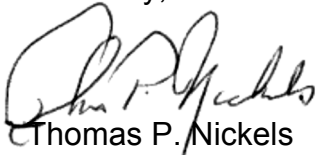
individual market from being weakened by short-term, limited duration products and ensure consumers are educated about the risks of such plans.

The AHA is committed to state flexibility, but we have expressed our concerns that the Administration's changes to Section 1332 waiver rules would permit waivers that depreciate the quality or affordability of coverage. We have urged the Administration to revise the 1332 waiver guidance to disallow the use of federal funds on inadequate insurance products. While we generally support flexibility, the changes to the "State Relief and Empowerment Waivers" go too far in allowing states to take actions that could result in weakened consumer protections and the destabilization of the individual health insurance market. We thank the Committee for considering H.R. 986 to protect patients from inadequate or unaffordable coverage.

Robust outreach, enrollment, and education to consumers about marketplace coverage options plays an important role in maintaining a balanced risk pool and keeping premiums affordable for consumers. The restoration of outreach and enrollment funds by H.R. 987 would help consumers better evaluate their coverage options and get and use the right coverage that meets their needs.

Thank you again for holding this hearing on legislation that would strengthen the individual market and ensure consumers have the information they need to make informed decisions about their insurance coverage.

Sincerely,



Thomas P. Nickels  
Executive Vice President

Cc: The Honorable Frank Pallone  
The Honorable Greg Walden  
The Honorable Michael C. Burgess, M.D.  
Members of the Subcommittee on Health of the Committee on Energy & Commerce