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Statement for the Record

Committee on Energy and Commerce, Health Subcommittee

Legislative Hearing:

**Strengthening Our Health Care System: Legislation to Lower Consumer Costs and Expand Access
March 6, 2019**

The American Cancer Society Cancer Action Network (ACS CAN) writes today in strong support of legislation being considered at today's hearing, "Strengthening Our Health Care System: Legislation to Lower Consumer Costs and Expand Access."

ACS CAN is making cancer a top priority for public officials and candidates at the federal, state and local levels. ACS CAN empowers advocates across the country to make their voices heard and influence evidence-based public policy change as well as legislative and regulatory solutions that will reduce the cancer burden. As the American Cancer Society's nonprofit, nonpartisan advocacy affiliate, ACS CAN is critical to the fight for a world without cancer.

In 2019, nearly 1.8 million Americans are expected to be diagnosed with cancer.¹ An additional 15.5 million Americans living today have a history of cancer.² For these Americans, access to affordable health insurance is truly a matter of life or death. Research from the American Cancer Society has shown that uninsured Americans are less likely to get screened for cancer and thus are more likely to have their cancer diagnosed at an advanced stage when survival is less likely and the cost of care more expensive.³

ACS CAN appreciates the Subcommittee holding today's hearing to examine how policymakers can ensure that cancer patients – and other Americans with serious illnesses – continue to have access to affordable health care. Legislation being considered today will build on critical components of the Affordable Care Act (ACA) and help make health insurance coverage more affordable and available for consumers.

¹ American Cancer Society, Cancer Facts & Figures 2019, available at <https://www.cancer.org/content/dam/cancer-org/research/cancer-facts-and-statistics/annual-cancer-facts-and-figures/2019/cancer-facts-and-figures-2019.pdf>.

² Ibid.

³ E Ward et al, "Association of Insurance with Cancer Care Utilization and Outcomes, *CA: A Cancer Journal for Clinicians* 58:1 (Jan./Feb. 2008), <http://www.cancer.org/cancer/news/report-links-health-insurance-status-withcancer-care>.

H.R. 1425, the State Health Care Premium Reduction Act

In 2014, cancer patients paid nearly \$4 billion out-of-pocket for their treatments.⁴ Managing the cost of care is critical in the fight against cancer, and one of the most important things policy makers can do to help cancer patients deal with the costs of cancer is to ensure that all Americans have access to comprehensive, affordable health insurance.

H.R. 1425 would provide \$10 billion annually to states to establish a state reinsurance program or use the funds to provide financial assistance to reduce out-of-pocket costs for individuals enrolled in qualified health plans. The bill also requires the Centers for Medicare and Medicaid Services (CMS) to establish and implement a reinsurance program in states that do not apply for federal funding under the bill.

ACS CAN endorses this legislation. A well-designed reinsurance program can help to lower premiums and mitigate plan risk associated with high-cost enrollees. A 2017 analysis using RAND's microsimulation model estimated that instating a national reinsurance program could reduce premiums in the marketplaces by 3.9 percent to 19.3 percent in 2020, depending on the generosity of the program.⁵

A reinsurance program may also encourage insurance carriers to continue offering plans through the exchange or begin to offer plans as applicable. This maintenance or increase in plan competition also may help to keep premiums from rising. These premium savings could help cancer patients and survivors afford health insurance coverage and may allow some individuals to enroll who previously could not afford coverage.

A few states have already received federal approval to establish reinsurance programs. Minnesota's reinsurance program covers 80 percent of claims for individuals up to \$250,000 once a \$50,000 threshold is passed. A recent report from Georgetown University's Center on Health Insurance Reforms found that Minnesota's reinsurance program successfully held rates down for 2018 and 2019, stabilized individual market premiums, and helped contribute to increased enrollment in 2018.⁶

⁴ American Cancer Society Cancer Action Network. *The Costs of Cancer: Addressing Patient Costs*. April 2017. Available at: www.fightcancer.org/costsofcancer.

⁵ Eibner, Christine and Jodi Liu, "Options to Expand Health Insurance Enrollment in the Individual Market," Commonwealth Fund, October 19, 2017. Available at https://www.commonwealthfund.org/publications/fund-reports/2017/oct/options-expand-health-insurance-enrollment-individual-market?redirect_source=/publications/reports/2017/oct/options-expand-health-insurance-enrollment-individual-market.

⁶ Schwab, Rachel, Emily Curran and Sabrina Corlette, "Assessing the Effectiveness of State-Based Reinsurance: Case Studies of Three States' Efforts to Bolster Their Individual Markets," Georgetown University Health Policy Institute Center on Health Insurance Reforms, November 2018. Available at <https://georgetown.app.box.com/s/8gvwo4zjatasrz3ptkpwe2uqi0qnz04x>.

H.R. 1386, the Expand Navigators' Resources for Outreach, Learning, and Longevity (ENROLL) Act

Recent action by the administration is jeopardizing enrollment in health insurance marketplaces. In 2017, HHS shortened the enrollment period for marketplace plans from 90 days to 45 days, leaving consumers less time to study options and select the plan that is best for them. In addition, funding for both navigators and marketplace education and enrollment activities has been significantly reduced. Spending on outreach and marketing have shrunk to \$10 million – a 90 percent cut since 2016 – and funding for navigator programs has been cut 80 percent.⁷ The administration is also requiring navigators to inform consumers about the new Association Health Plans (AHP) and short-term, limited duration (STLD) coverage options – options that provide less comprehensive coverage. For individuals with a serious illness like cancer, choosing the right health insurance plan is important. Navigators help cancer patients and others by providing answers to their questions. Shortened enrollment periods, fewer resources for outreach and education and less funding for consumer navigators not only creates confusion for consumers but directly impacts the number of individuals who enroll in Marketplace coverage.

ACS CAN strongly supports the ENROLL Act, which would provide \$100 million annually for the Federally-facilitated Marketplace (FFM) navigator program. The bill would reinstate the requirement that there be at least two navigator entities in each state and would require the Department of Health and Human Services (HHS) to ensure that navigator grants are awarded to entities with demonstrated capacity to carry out the duties specified in the Affordable Care Act. The bill would also prohibit HHS from considering whether a navigator entity has demonstrated how it will provide information to individuals relating to AHPs or STLDI plans, the proliferation of which ACS CAN opposes.

Thank you for your consideration. We look forward to working with members of the subcommittee to ensure that people with cancer, survivors, and people at risk of cancer continue to have access to affordable, adequate health insurance coverage.

⁷ Straw T, Lueck S, Gonzales S, Cloud H, “Strong Demand Expected for Marketplace Open Enrollment, Despite Administration Actions,” Center on Budget and Policy Priorities, October 2018. Available at <https://www.cbpp.org/research/health/strong-demand-expected-for-marketplace-open-enrollment-despite-administration>.