



February 2, 2017

The Honorable Michael Burgess, M.D.
Chairman
Subcommittee on Health
Committee on Energy and Commerce
United States House of Representatives

Dear Chairman Burgess:

Thank you for your efforts to make healthcare accessible and affordable for all Americans. As the Subcommittee on Health prepares to hold a hearing on improving the health insurance markets, the Healthcare Leadership Council (HLC) welcomes the opportunity to share our thoughts on this important issue.

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation's healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century health system that makes affordable, high quality care accessible to all Americans. Members of HLC—hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, biotech firms, health product distributors, pharmacies, post-acute care providers, and information technology companies—are committed to advancing a consumer-centered healthcare system that values innovation, accessibility, and affordability.

HLC believes that the post-Affordable Care Act (ACA) insurance structure must bolster the stability of the marketplace, encourage greater competition, and give all Americans enhanced choice and flexibility in their coverage. Like the Subcommittee, HLC is concerned that loopholes such as the large number of Special Enrollment Periods (SEPs) and the three-month premium payment grace period mean that the individual mandate does not serve its purpose of ensuring that that all consumers have continuous coverage and that the coverage is affordable. To address these issues, the number of SEPs should be reduced to align with the large employer insurance market and pre-enrollment verification should be required. In addition, the length of the grace period should align with state law and consumers should be required to pay their outstanding premiums before re-enrolling in coverage.

If the post-ACA insurance structure does not include an individual mandate, then there needs to be a continuous coverage requirement and/or other critical safeguards against adverse selection. For individuals who have not had continuous coverage, insurers should be able to charge them higher premiums, limit their benefit options, or defer them to a federally funded high risk system in order to keep costs affordable for everyone.

A permanent high risk pool for the continuously covered should also be in place and should receive broad-based and stable funding. In addition, risk adjustment mechanisms to account for higher cost enrollees should be improved.

Consumers should be provided with advanceable, refundable tax credits to help them purchase coverage. To attract consumers, flexible plan designs should be encouraged. Decision support tools—including out of pocket cost calculators, smart plan-finder tools, searchable provider networks and drug formularies, and clear cost information for common services—would help consumers to understand their options and choose among the plans.

Thank you for your efforts to improve the health insurance markets. HLC looks forward to continuing to work with you to make health insurance accessible and affordable for all Americans. Should you have any questions, please contact Debbie Witchey at 202-449-3435.

Sincerely,



Mary Grealy
President

cc: The Honorable Gene Green, Ranking Member
Subcommittee on Health