What People Are Saying About the Possible End to the Cost-Sharing Subsidies

Health Insurance Companies

- "If CSRs are not funded, Americans will be dramatically impacted:

    - Choices for consumers will be more limited. If reliable funding for CSRs is not provided, it may impact plan participation, which would leave individuals without coverage options.
    - Premiums for 2018 and beyond will be higher. Analysts estimate that loss of CSR funding alone would increase premiums for all consumers – both on and off the exchange – by at least 15 percent. Higher premium rates could drive out of the market those middle-income individuals who are not eligible for tax credits.
    - If more people are uninsured, providers will experience more uncompensated care which will further strain their ability to meet the needs of their communities and will raise costs for everyone, including employers who sponsor group health plans for their employees.
    - Hardworking taxpayers will pay more, as premiums grow and tax credits for low-income families increase, than if CSRs are funded." – ***America's Health Insurance Plans, American Academy of Family Physicians, American Benefits Council, American Hospital Association, American Medical Association, Blue Cross Blue Shield Association, Federation of American Hospitals, U.S. Chamber of Commerce***

- "Whether or not the CSR reimbursements will be paid is one of the biggest variables influencing Molina Healthcare's decision as to whether, and to what extent, it will offer plans through the Exchanges…In addition, if we decided to continue offering plans through the Exchanges, we would have to raise premiums on those plans in order to cover any shortfall that would result if Congress later decided not to appropriate funds for CSR reimbursements." – ***Janet Fosdick, Vice President of Marketplaces of Molina Healthcare, Inc.***

- "If the District Court's decision in *House v. Price* were to become effective at any point during the 2017 plan year, and if Congress did not then appropriate funds to reimburse us for our CSR payments, we would still be required by law to cover the costs of providing reduced cost-sharing plans. We do not know of any way to recover those costs through other means. Carriers like Blue Shield participating in Covered California would therefore take a financial loss if CSRs were not paid, with the magnitude of the loss tied to how soon before the end of the plan year the payments stop." – ***Robert Spector, Area Vice President, Blue Shield of California***

- "The loss of CSR funding will in all likelihood result in significant rate increases in the individual market. In addition to the financial impact on health plans, the loss of this funding would have severe negative consequences for our covered members. These rate increases will cause a large number of healthy, low-risk individuals in the individual market to drop coverage. This will drive up premiums for individual products further leading to a situation where only those who are sick or have chronic illnesses buy coverage resulting in lost access to coverage and higher premium prices for consumers who can maintain coverage." ***– Christopher Chappelear, Chief Actuary of EmblemHealth, Inc.***

- "The federal government's refusal to reimburse Healthfirst for such CSR payments for the second half of 2017 would cost Healthfirst approximately $200,000. Further, if the federal government cannot guarantee continued funding of the CSRs to health plans throughout 2018, then Healthfirst will likely need to increase its premium rates for all relevant members in 2018 to account for the possibility that it will lose such funding at some point during the year." **– *Peter Lopatka, Vice President--Actuary at Healthfirst***

- "When premium rates for plans offered through the Exchanges have risen, fewer individuals choose to buy them. Some individuals choose to go without healthcare coverage instead of paying higher rates. Sometimes this is a matter of choice, but sometimes it is a matter of economic necessity—the rise in health care premiums forces some people to choose for paying for health care and paying for other necessities like food and rent." ***– Cástulo de la Rocha, President and CEO of AltaMed Health Services***

<u>State Officials/Insurance Commissioners</u>

- "Uncertainty regarding whether the federal government will fund reimbursements for cost sharing reductions has the potential to cause wide variations in proposed rate increases for any year in which cost sharing reductions are bit permanently funded. By some estimates, not reimbursing cost sharing reductions would result in a loss of $700 million for California's health plans in Plan Year 2017." – ***Wayne Thomas, Chief Actuary for the California Department of Managed Health Care***

- *"*Increased premiums for lower-income working families will mean that many cannot afford to stay covered under their health insurance plan. California moved its uninsured rate down to a low of 9 percent down from 17 percent...If coverage is dropped, payments to providers like hospitals and physicians will decline. When that happens, services also decline or may become unavailable – and that will impact all Californians.*"* – ***Anne McLeod, Senior Vice President, Health Policy and Innovation, with the California Hospital Association (CHA)***

- *"*If the federal government does not reimburse Health Plans for CSRs, Health Plans' rates will be inadequate and cause substantial financial loss. In New York, 65,000 individuals in 2017 received CSRs through QHPs, reducing New Yorkers' collective cost-sharing responsibilities by approximately $13,500,000.*"* ***– Maria T. Vullo, Superintendent of the New York Department of Financial Services (DFS)***

- "Federal defunding of the CSRs jeopardizes the significant progress that New York has made to increase health insurance coverage rates for its residents, and will likely result in health coverage rates decreasing and, correspondently, rates of uncompensated care increasing. NYSoH will incur other costs as well. Increased costs will include modifications to the NYSoH technology system and consumer notices." ***– Donna Frescatore, Executive Director of the NY State of Health (NYSoH)***

- "Carriers have already notified the Connecticut Insurance Department that the uncertainty surrounding the funding for the CSR [cost-sharing reduction payments] will create market volatility and jeopardize their ability to set adequate rates responsibly. Carriers indicated that rates could rise 20% over and above current proposed rates due to increase in medical costs, if

CSR funding is cut. In addition to uncertainty regarding rates, carriers have indicated to the Department and the Health Insurance Exchange in Connecticut that reducing or cutting funding for CSR will cause some carriers to exit the Connecticut market." ***– Katharine L. Wade, Insurance Commissioner at the Connecticut Insurance Department***

- "Since 2014, the uninsured rate in Connecticut has been dramatically reduced due to the qualified health plans and the financial assistance offered through the Exchange and the expansion of Medicaid for low-income adults. The market insecurity caused by the current national environment in health insurance makes it difficult for the Exchange to determine how best to serve the residents of the State of Connecticut and maintain the greatly reduced uninsured rate that has been achieved in the State in recent years. Increases in the uninsured rates will harm the residents of the State of Connecticut, and will shift financial burdens to states, hospitals and other providers." ***– James R. Wadleigh, Jr., CEO of the Connecticut Health Insurance Exchange***

- "While setting rates is always a matter of judgment, the level of uncertainty regarding the continuation of the cost sharing reductions and amount of funding that is potentially affected is unprecedented. Uncertainty regarding whether the federal government will fund reimbursements for cost sharing reductions has the potential to cause wide variations in health plans' proposed rate increases for any year in which it is anticipated that cost sharing reductions will not be permanently funded." ***– Trinidad Navarro, Commissioner for the Delaware Department of Insurance***

- "If the CSRs are no longer federally reimbursed, DPH [Delaware Division of Public Healt] anticipates a direct increase in the number of uninsured Delawareans who can no longer afford health insurance through the Health Insurance Marketplace. Consequently, DPH also anticipates a direct increase in the amount of state funds that would have to be used to pay for the individuals without insurance seeking care from DPH." ***– Karyl T. Rattay, Director of the Delaware Division of Public Health (DPH)***

- "It has been the experience of Delaware physicians that increased premiums for lower-income working families will mean that many cannot afford to stay covered under their health insurance plan. Families that drop their coverage will become uninsured, disrupting their continuity of care and halting all variety of care from simple check-ups to important chronic disease management. Getting the proper level of treatment in a timely manner, especially outside of the emergency department, helps reduce health care costs for everyone. If coverage is dropped, access to services declines or may become unavailable altogether, which will impact tens of thousands of Delawareans and their families." ***– Prayus Tailor, President of the Medical Society of Delaware***

- "The uncertainty surrounding 2016 Presidential Election and related discussion of the likely repeal of the Affordable Care Act (ACA) had a negative impact on consumers during the open enrollment period, which ran from November 1, 2016 to January 31, 201 7. Delaware had 28,256 enrollees in 2016 and 27,584 in 2017 - a 2.4% reduction. The uncertainty of the availability of CSRs [cost-sharing reduction payments] and the potential for increased premiums that would result would continue to erode the gains Delaware has made over the last several years to reduce its uninsured population from 10% in 2013 to 5.9% in 2016. An increase in the number of uninsured Delawareans would negatively impact the State's budget, with Delaware

already facing a $390 million shortfall for fiscal year 2018." ***– Laura Howard, Executive Director of the Delaware Health Care Commission***

- "One of the most significant areas of uncertainty Washington carriers are facing now is whether the cost sharing reductions (CSR) carriers are required to provide will be reimbursed for the remainder of the 2017 plan year, and for the 2018 and future plan years...Any failure to make payments in the 2017 plan year will cause a direct harm to the financial condition of carriers in Washington State." ***– Myron Bradford "Mike" Kreidler, Insurance Commissioner for the State of Washington***

- "Washington's average premium increases have been relatively low, 13 percent, for plans offered inside the Exchange. Should CSR payments cease, carriers will likely cover the loss through premium increases which could be up to 20 percent, based on sources that we typically rely on such as the Kaiser Family Foundation. Qualified health plan enrollment in Washington State has steadily increased from 140,000 in 2014 to 204,000 in 2017. This positive trend may reverse, however, as plans become unaffordable and consumers drop coverage, particularly for those not receiving CSRs or premium tax credits, which currently represent 40 percent of the Exchange's enrollment." ***– Pam MacEwan, Chief Executive Officer of the Washington Health Benefit Exchange***

- "As the Medicaid Director, I am knowledgeable regarding Minnesota's Basic Health Program, called MinnesotaCare. MinnesotaCare provides comprehensive low-cost health insurance to Minnesota residents who do not have access to affordable coverage…In 2017, the State of Minnesota is projected to receive a total of approximately $120 million in federal funds pegged to what MinnesotaCare enrollees would have been eligible to receive in cost-sharing reductions under the ACA. For 2018, this amount is estimated to rise to approximately $130 million. The loss of these federal funds related to the cost-sharing reductions under the ACA would directly and substantially harm the State and its ability to fund coverage to enrollees of MinnesotaCare." ***– Marie Zimmerman, Medicaid Director for the Minnesota Department of Human Services***

- "If, after the rate filing and public posting deadline has already past, the federal government announces that it will not reimburse health plans for cost-sharing reductions, the Maryland Insurance Administration will find it necessary to invite a supplemental proposed rate filing. If carriers submit supplemental rate filings, both the Insurance Administration and the public will have less time than usual to review proposed rate increases. And, the Insurance Administration would incur significantly more administrative time and expense in reviewing the supplemental filings." ***– Kimberly S. Cammarata, Assistant Attorney General and the Director of the Maryland Attorney General's Health Education and Advocacy Unit (REAU)***

<u>Health Care Advocates/Navigators/Others</u>

- "As long as the court case, House v. Price, remains unresolved and federal funding is not assured, carriers will be forced to think twice about participating on the Exchanges. Even if they do decide to participate, state regulators have been informed that the uncertainty of this funding could add a 15-20% load to the rates." ***– National Association of Insurance Commissioners President Theodore Nickel, National Association of Insurance Commissioners President-Elect Julie Mix McPeak, and National Association of Insurance Commissioners Vice President Eric A. Cioppa***

- "Currently, insurers across the country are developing their rates and deciding whether to participate in the individual marketplaces in 2018. Congress must act immediately to stabilize the marketplaces by providing insurers with the certainty of continued CSR payments." ***– Scott Pattison, Executive Director and CEO of the National Governors Association***

- "Hospitals in New York have seen a deep drop in visits from uninsured individuals since the roll out of the ACA. From 2013-2015, the number of emergency visits by the uninsured dropped by 23%, with a 12% mean annual reduction." ***– Elisabeth R. Wynn, Senior Vice President of Health Economics and Finance at the Greater New York Hospital Association (GNYHA)***

- "SUNY hospitals depend on funding from various sources to serve their patients, including cost-sharing subsidies, Medicaid, and Disproportionate Share Hospital (DSH) payments. If cost-sharing reduction subsidies were to be eliminated and the number of uninsured New Yorkers were to increase, SUNY hospitals would likely experience an uptick in the number of uninsured patients they treat. If this were to happen, SUNY hospitals could be negatively impacted financially, in particular if their DSH payments are reduced, as has been proposed. As a result, the ability of SUNY hospitals to serve their patients and to educate the next generation of health care providers may be harmed." ***– Dr. Ricardo Azziz, Chief Officer of Academic Health and Hospital Affairs of the State University of New York (SUNY)***

- "As part of my work at HCFA, I am in regular contact with dozens of other people employed by public and private agencies to assist with insurance enrollment… In my experience, when premium rates for plans being offered through the Health Connector have risen, fewer people have chosen to enroll. Instead, at least some people have chosen to go without health care coverage instead of paying higher rates. Sometimes this has been a matter of choice for callers I have encountered, but often it has been a matter of economic necessity." ***– Hannah Dyer Frigand, Associate Director, HelpLine, Enrollment and Education of Health Care for All in Massachusetts***