



STATE OF NEW HAMPSHIRE
OFFICE OF THE GOVERNOR

CHRISTOPHER T. SUNUNU
Governor

March 14, 2018

The Honorable Jeanne Shaheen
United States Senate
506 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Maggie Hassan
United States Senate
330 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Carol Shea-Porter
United States House of Representatives
1530 Longworth House Office Building
Washington, D.C. 20515

The Honorable Ann McLane Kuster
United States House of Representatives
137 Cannon House Office Building
Washington, D.C. 20515

Dear Senators and Congresswomen,

We write today to urge your support for provisions in the upcoming federal spending bill to help states stabilize their individual health insurance markets in 2019 and beyond.

As you know, market stabilization is critically important for New Hampshire and has been a priority of my administration. This past September, we provided feedback to the Senate HELP Committee describing the unprecedented challenge our state markets faced. The following month, the New Hampshire Department of Insurance announced that individual market premiums were increasing by an average of 52% for 2018 coverage for those not receiving subsidies.

As we begin to look toward 2019, we remain very concerned about our markets given the continued inability of Congress to address flaws within the Affordable Care Act (ACA) and uncertainty regarding federal funding, the health of our risk pools and regulatory requirements. As a result, we ask for your support in taking the following steps to support our efforts to stabilize the individual market in New Hampshire:

- (I) Ensure health insurance carriers are reimbursed for enhanced cost-sharing plans offered to low-income consumers for 2019:** Until Congress addresses the inherent flaws of the ACA, we believe that carriers that sell on the exchange who are required to offer Silver plans with lower cost-sharing requirements, but must charge the same premium as they charge for the standard version of those same Silver plans, should be reimbursed under the Cost Sharing Reduction (CSR) program.

As we have said before, our nation's health care system demands reform. However, funding related to CSRs should be appropriated in the short term to ensure individuals can afford healthcare until more permanent reform can be achieved.

- (II) Provide states with sufficient funding and flexibility to stabilize their markets through reinsurance programs or “invisible high-risk pools”:** Increased premiums, flaws within the ACA, and federal uncertainty have contributed to risk pools that are less healthy than carriers predicted, and the resulting claims have led to significant losses. Without Congressional action, our individual market for 2019 will be in peril as healthier and younger members leave and prices increase further for the sicker and older members who remain. Our administration was able to successfully buck the national tide and retain the current carriers in our individual market, at a time when those same carriers were withdrawing from other states across the country. This may not always be the case.

Last year, we urged Congress to pass the Lower Premiums through Reinsurance Act of 2017. This bipartisan measure would have provided states with the resources and tools necessary to stabilize their individual market by using reinsurance mechanisms. Importantly, the proposal did not require states to levy assessments that get passed along to customers and was consistent with the principles of federalism in empowering states to create programs that efficiently and effectively meet their needs.

Reinsurance programs have proved effective in other states, such as Alaska, Minnesota, and Oregon. These programs are fiscally conservative and enable states to stand up their own reinsurance programs quickly while keeping costs to the federal government to a minimum. We hope you will support providing states the flexibility and resources necessary to successfully use this tool to lower premiums and stabilize our markets.

- (III) Amend Section 1332 to create a waiver process that is clear, timely, and flexible:** As we have previously detailed, some of New Hampshire's key efforts to stabilize our markets were thwarted by the cumbersome Section 1332 process.

Another key reason we support proposals such as Collins-Nelson and Alexander-Murray is that they provide additional flexibility, clearer guidance, more timely deadlines and expedited timetable for getting a 1332 waiver together. This combined with providing states with sufficient flexibility to help offset the cost of high-risk enrollees and efforts at the administrative level to reduce regulatory burdens will go a long way to improve the market for 2019 and truly meet the needs of individuals and business.

We are contacting you at an important moment. Currently, carriers are developing rates for 2019 and considering their future participation in our market. Given this and a large number of Granite Staters who rely on the individual market to obtain their health insurance coverage, the time for action is now. We urge you to support the inclusion of provisions such as the ones outlined above in the upcoming federal spending bill. We believe these actions will support our efforts to protect our markets in New Hampshire by stabilizing rates, encouraging carriers to remain in the market, and supporting consumer choice.

We remain committed to working collaboratively with Congress on a bipartisan basis to address the longer-term issues related to health insurance. As your partners in government, we look forward to working with you as we seek to make health insurance more affordable and accessible.

Sincerely,



Christopher T. Sununu
Governor



Roger A. Seigny
Insurance Commissioner