



February 1, 2017

The Honorable Lamar Alexander
Chairman
Committee on Health, Education, Labor, and Pensions
United States Senate

Dear Chairman Alexander:

Thank you for your efforts to make healthcare accessible and affordable for all Americans. As the Committee on Health, Education, Labor, and Pensions prepares to hold a hearing on stabilizing the individual market, the Healthcare Leadership Council (HLC) appreciates the opportunity to share our thoughts on this important topic.

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, affordability, and accessibility.

HLC believes that several steps must be undertaken immediately to stabilize the individual health insurance market and ensure that consumers have affordable coverage. These steps include:

- Deferring to state law in the area of premium payment grace periods and requiring payment of outstanding premiums before re-enrollment in coverage. The current three-month grace period for nonpayment of premiums has resulted in a growing number of consumers who receive healthcare services while electing not to pay grace period premiums, which increases costs for everyone.
- Ending third party premium and cost-sharing payments that incentivize consumers eligible for Medicare and Medicaid to enroll in the marketplace instead.
- Reducing the number of Special Enrollment Periods (SEPs) and requiring pre-enrollment verification for the SEPs. Under the current process, the exchanges handle SEPs and enrollments without verifying whether SEPs are valid, yet insurers are required to accept these enrollment decisions. This permits abuse of SEPs, which worsens the risk pool and results in higher premiums for consumers.

- Maintaining cost-sharing subsidies for the 2017 benefit year and through the entirety of any transition period, which will protect current coverage for consumers.

HLC sincerely appreciates the opportunity to share our thoughts on stabilizing the health insurance marketplace, and looks forward to continuing to work with you on this important topic. If you have any questions, please do not hesitate to contact Debbie Withey at 202-449-3435.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Greal". The signature is fluid and cursive, written in a professional style.

Mary Greal
President

cc: The Honorable Patty Murray, Ranking Member
Committee on Health, Education, Labor, and Pensions