



January 24, 2017

The Honorable Vern Buchanan
Chairman
Subcommittee on Oversight
Committee on Ways and Means
United States House of Representatives

Dear Chairman Buchanan:

Thank you for your efforts to make healthcare accessible and affordable for all Americans. As the Subcommittee on Oversight prepares to hold a hearing on the individual mandate, 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, 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. Due to the current loopholes with the individual mandate, including the large number of Special Enrollment Periods (SEPs) and the three-month grace period for nonpayment of premiums, HLC believes that this mandate does not serve the purpose of ensuring that all consumers have continuous coverage and that the coverage is affordable.

If the post-ACA insurance structure does not include an individual mandate, then there needs to be continuous coverage requirements 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.

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 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.

HLC sincerely appreciates the opportunity to share our thoughts on stabilizing the 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 Witchey at 202-449-3435.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Greal". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Mary Greal
President

cc: The Honorable Kevin Brady, Chairman
Committee on Ways and Means