April 7, 2017

Thomas E. Price, MD, Secretary
US Department of Health and Human Services (HHS)
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Price:

Thank you for your efforts to make healthcare accessible and affordable for all Americans. The Healthcare Leadership Council (HLC) applauds your work on this issue, and would like to share our thoughts on additional regulatory steps you can take to improve the health insurance market.

HLC is a coalition of chief executives from all disciplines within American healthcare. Our members – the nation's leading 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 strongly supports the proposed marketplace stabilization rule to improve the individual market. To further improve this market, we recommend that you:

- Provide clear and written support for continuing to fund the cost sharing reduction (CSR) program for at least the next three years or preferably on a permanent basis. In order to avoid making insurance unaffordable for many, if not most people, this funding needs to happen within the next few weeks.
- Create a patient and state stability fund similar to what was in the American Health Care Act (AHCA) with the same funding levels.
- Provide 2016 reinsurance payments.
- Do not enforce taxes, such as the Health Insurance Tax (HIT), that add to the cost of premiums.
- Eliminate (or substantially reduce) the 3.5% federal exchange user fee.
- Issue a regulation indicating that, until federal law is changed to defer to state law, the Administration will not enforce the current federal regulation on the grace period for nonpayment of premiums. CMS should also avoid new requirements for plans on how to communicate with providers about the status of an individual in the grace period.
- Restore regulatory approval authority for nongroup products to the states.
- Continue to implement, without any modifications, the planned improvements to risk adjustment in order to protect integrity and accuracy of the program.

- Reduce the number of Special Enrollment Periods (SEPs), in addition to requiring pre-enrollment verification of eligibility for all SEPs as was proposed in the marketplace stabilization rule.
- Eliminate inconsistent tagline/nondiscrimination requirements including 1) the 1557 requirement to include the notice and taglines in all “significant publications;” 2) the Qualified Health Plan (QHP) requirement to include taglines in all “critical documents,” and 3) the appeals (and Summary of Benefits and Coverage) requirement.
- Improve the agreement to provide clear safeguards for mid-year changes to include clearer termination provisions and modifications to address loss of CSR funding.
- Encourage innovative plan designs by eliminating the standardized plan.
- Accelerate the development and implementation of operational solutions for seamless enrollment and consumer assistance in order to reduce administrative costs as well as ease enrollment for consumers. This includes:
    - Eliminating the “double redirect” between plan websites and Healthcare.gov. This will allow plans to directly enroll consumers and use Healthcare.gov only for verifying subsidy eligibility.
    - Ensuring consumer calls are appropriately directed to the plans’ customer service centers for all issues that can be resolved by the plans such as claims.
- Revise the Medical Loss Ratio (MLR) calculation. The definition of “activities that improve healthcare quality” should include the costs of preventing fraud and abuse. Agent and broker commissions should be removed from the calculation of administrative costs, and payroll taxes should be deducted from the amount of premium revenues.
- Modify Section 1332 Waiver regulations to shorten federal review timelines and provide for expedited review in some circumstances, streamline the public comment process, and allow more flexibility for states to design innovative, alternative reform proposals.

Thank you again for your leadership in addressing the nation’s healthcare challenges. The Healthcare Leadership Council and its member companies look forward to working with you in a constructive collaboration to develop an optimal, 21st century healthcare system. If you have any questions, please do not hesitate to contact Debbie Witchey at (202) 449-3435.

Sincerely,

Mary R. Grealy

Mary R. Grealy
President