



June 8, 2018

Honorable Alex Azar
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC

Honorable Steven Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Wisconsin Section 1332 State Innovation Waiver

Dear Secretary Azar and Secretary Mnuchin:

Thank you for the opportunity to submit comments on Wisconsin's Section 1332 State Innovation Waiver.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting state health insurance marketplaces and the patients that they serve. We urge the Department to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that any changes to the healthcare system achieve coverage that is adequate, affordable and accessible for patients. A strong, robust marketplace is essential for people with serious, acute and chronic health conditions to access comprehensive coverage that includes all of the treatments and services that they need to stay healthy at an affordable cost. Our organizations support Wisconsin's efforts to strengthen its marketplace by submitting this 1332 State Innovation Waiver to implement a reinsurance program, and we urge the Departments to approve the application.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.ⁱ

Wisconsin's proposal would create a reinsurance program starting for the 2019 plan year and continuing for five years. Wisconsin's application states that that the program will create a broader and healthier risk pool, preventing insurers from leaving the market and improving choices for consumers. The state projects that the program will reduce premiums by 10.6 percent in 2019 and increase the number of individuals obtaining health insurance through the individual market by 0.8 percent. This would help patients with pre-existing conditions obtain affordable, comprehensive coverage.

The proposal will also result in significant savings for the federal government. Wisconsin projects that the reinsurance program will result in \$166 million in savings to the federal government in 2019 and \$164 million in each subsequent year during the waiver's five year period.

As states consider different ways to stabilize their marketplaces, our organizations are pleased that Wisconsin has submitted an application that is projected to improve coverage and affordability without compromising access to essential health benefits or jeopardizing other important protections that our patients rely on. Our organizations believe that this Section 1332 State Innovation Waiver will help stabilize the individual market in Wisconsin and help patients and consumers, and we urge the Departments to approve the application. Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association
American Liver Foundation
American Lung Association
Arthritis Foundation
Cystic Fibrosis Foundation
Epilepsy Foundation
Leukemia & Lymphoma Society
Lutheran Services in America
Mended Little Hearts
NAMI, National Alliance on Mental Illness
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Psoriasis Foundation

ⁱ American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes*. January 2017. Retrieved from https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf.