

Congress of the United States
Washington, DC 20515

May 23, 2019

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Azar:

We urge you to cease sabotaging the Affordable Care Act (ACA) and cease your efforts to make healthcare more expensive and less accessible. Particularly, we ask you to rescind recent rulemaking affecting health insurance issuer standards. That rulemaking will change the annual adjustment of ACA's applicable percentages and maximum out-of-pocket limit. This change is not required by the ACA or any other statute, but is purely discretionary. This final rulemaking will force people to pay more, both in their premiums and by increasing their maximum out-of-pocket limit.

Applicable percentages establish the share of income that marketplace consumers pay towards benchmark health coverage. The final rule changed the formula for those applicable percentages, resulting in a faster premium growth rate. For example, in 2020, the amounts consumers pay will be 2.7 percent higher than they otherwise would have. For a family of four with an income of \$80,000, the rule would increase their premiums by approximately \$208 annually, while a single person with an annual income of \$40,000 would see premiums increase by approximately \$100 per year. At least 7.3 million marketplace consumers will see higher premiums because of this change. According to the Department of Health and Human Services' own estimates, these higher premiums will cause 70,000 people to drop marketplace coverage each year.

In addition to the direct impacts to enrollees' premiums, the planned applicable percentages change could worsen the health of the ACA Exchange insurance pool. As the proposed rule itself described, "the proposed change could also contribute to a decline in Exchange enrollment...and could ultimately result in net premium increases for enrollees that remain in the individual market, both on and off the Exchanges, as healthier enrollees elect not to purchase Exchange coverage."ⁱ

The rulemaking also increases the amount Americans will pay out of pocket. For family coverage, the rule increases the maximum out-of-pocket limit by \$400, and for individuals by \$200. Increasing the maximum out-of-pocket limit disproportionately impacts individuals with pre-existing conditions who are mostly likely to pay up to the cap. It not only affects ACA marketplace plans but applies to nearly all private plans, meaning this increase affects employer plans as well.

Healthcare is expensive and inaccessible to millions of Americans; this final rulemaking further worsens quality healthcare accessibility and affordability. Choosing to adopt these changes will raise premiums for millions of people and weaken protections against high out-of-pocket costs for millions more. As the final rule itself notes, "all commenters on this topic expressed opposition to or concerns about the proposed change."ⁱⁱ If the Administration wants to make quality healthcare more accessible and affordable, it should stop this sabotage and rescind the changes to health insurance issuer standards.


Sincerely,



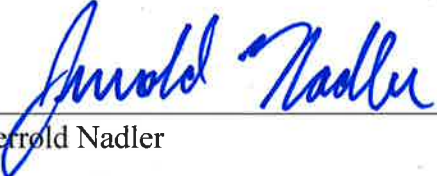
Donald S. Beyer Jr.



Ro Khanna



Steve Cohen



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Raul M. Grijalva



Ted Deutch



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Yvette D. Clarke

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Jesús G. "Chuy" García

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Rick Larsen

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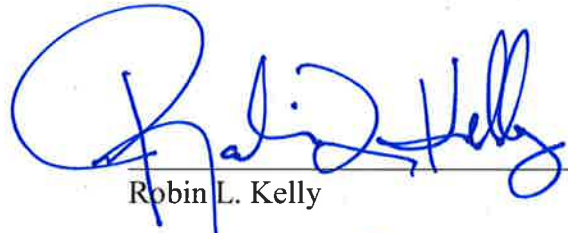
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ⁱ <https://www.federalregister.gov/documents/2019/01/24/2019-00077/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2020>

ⁱⁱ <https://www.federalregister.gov/documents/2019/04/25/2019-08017/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2020>