



September 5, 2017

The Honorable Lamar Alexander  
Chairman, Senate HELP Committee  
United States Senate  
Washington, DC 20510

The Honorable Patty Murray  
Ranking Member, Senate HELP Committee  
United States Senate  
Washington, DC 20510

Dear Chairman Alexander and Ranking Member Murray:

As providers of healthcare and coverage to hundreds of millions of Americans, we commend the HELP Committee's leadership in efforts to develop policy solutions to stabilize and strengthen the individual health insurance marketplace. These bipartisan discussions come at pivotal time for the marketplace given the timing of final participation decisions by health plans for 2018.

As the Senate HELP Committee considers legislation to stabilize the health care coverage and choices for the 20 million Americans who rely on the individual market, we urge the Committee to ensure that cost-sharing reduction (CSR) benefits are continuously funded for at least two years (2018-2019).

CSR benefits help those who need it most: low- and moderate-income Americans with incomes under 250 percent of the federal poverty level. Nearly 60 percent of exchange-plan enrollees rely on CSR benefits, which translates into comprehensive coverage and access for nearly 6 million individuals and families. The CSR program makes it more affordable for patients to receive needed medical care and services by reducing deductibles, copayments, and out-of-pocket maximums. As a result, providers can better serve the needs of their communities and employers do not needlessly face higher costs to provide coverage to their employees.

Persistent uncertainty about CSR funding is a significant driver of current market instability—pushing premiums higher and resulting in fewer choices for individual market consumers. According to the most recent analysis by the Congressional Budget Office, eliminating CSR benefits would—

- Increase average premiums for benchmark silver plans by 20 percent in 2018 and by 25 percent in 2020.
- Increase the federal budget deficit by \$194 billion over the next 10 years (2017-2026).
- Lead to fewer plan choices for consumers and greatly increase the risk that some consumers would be left with no insurance options in certain states and geographic areas.

**We urge the Committee to include continuous funding for CSR benefits for at least the next two years (2018-2019) as part of bipartisan legislation to stabilize the individual market.**

Without two years of CSR funding, uncertainty will persist and the Congress will need to address these same issues early next year. In addition, without a break in funding for the CSRs, we expect that this provision would not contribute to the federal deficit. By committing to CSR funding for two years, it would go a long way to bring much needed stability to the individual market and promote access to more affordable coverage and choices for millions of Americans.

Sincerely,

America's Health Insurance Plans  
American Academy of Family Physicians  
American Benefits Council  
American Hospital Association  
American Medical Association  
Blue Cross Blue Shield Association  
Federation of American Hospitals  
U.S. Chamber of Commerce

cc: Members of the Senate Committee on Health, Education, Labor and Pensions (HELP)