



July 12, 2017

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-9928-NC
Post Office Box 8016
Baltimore, Maryland 21244-8016

Dear Secretary Price and Administrator Verma:

The Washington State Health Benefit Exchange (WAHBE) appreciates your consideration of our comments in response to the Request for Information published by the United States Department of Health and Human Services (HHS) on June 12, 2017.

While uncertainty and potential change color the health care conversation at the national level, the state of Washington, in a bipartisan manner, has successfully created and implemented a stable state-based marketplace for all those who call Washington home.

Since the ACA was first implemented, over 750,000 Washingtonians have been able to access health care through the Washington Health Benefit Exchange – cutting our state's uninsured rate from 14 percent to just 5.8 percent. It has been a tremendous boon for our state's economy, especially in rural areas. Washington hospitals' uncompensated care costs were cut nearly in half, and 51,000 newly-created jobs in our state have been attributed to the ACA's implementation.

Almost 200,000 people are enrolled in qualified health plans through the Washington Health Benefit Exchange. Two-thirds of these currently benefit from advance premium tax credits. More than 70,000 of these also receive cost-sharing reductions to make their out-of-pocket costs more affordable. As a result, the individual insurance market was stronger in 2016 than before the implementation of the ACA.

Stabilizing the Individual Insurance Market

WAHBE strongly urges the Administration to continue to fund cost-sharing reductions (CSRs) to both stabilize the market and make coverage more affordable for individuals and families. Carriers in Washington State have indicated that the uncertainty of CSR funding has influenced their decisions on their participation in the 2018 insurance market, as well as influencing their premium rates. This is having a destabilizing effect on the insurance market.

Additionally, WAHBE strongly encourages the Administration to fully enforce the individual mandate. Our carriers have indicated that, for 2018 proposed rate filings, a 10 percent rate increase can be attributed to the assumption that the Administration will not enforce the mandate. This is driving up premiums for the individuals and familiars who are purchasing coverage.

Consumer Protections

WAHBE strongly supports the existing baselines created by the essential health benefits, guaranteed availability, and the individual mandate requirements. These set a floor for products offered in the individual market and offer a more stable market environment, as well as spread costs across the entire market. In Washington State, the individual market had stabilized since before the implementation of the Affordable Care Act (ACA). This provides more choice, affordability and assurances of benefits that will be offered across the market for all consumers.

Increased Flexibility with Section 1332 and Section 1115 Waivers

WAHBE urges the Administration to continue to work closely with states to help states successfully navigate the Section 1332 waiver application process. WAHBE encourages HHS to continue streamlining the 1332 waiver application process wherever possible, including developing an expedited review process in cases where a state's waiver request is modeled after a waiver that has already received approval. WAHBE also encourages HHS to employ an expanded interpretation of budget neutrality, which would allow states to achieve net budget neutrality of coordinated 1115 and 1332 waivers through savings accrued across programs. WAHBE recommends that Section 1332 waivers be permitted to achieve budget neutrality over a period of years rather than on an annual basis, to encourage innovation that may need a longer time period to implement.

Importance of Marketing

It should also be noted that our Exchange has effectively attracted and retained young people, allowing for the creation of a larger, healthier individual risk pool. These results are due, in large part, to our statewide marketing efforts, along with the marketing support provided at the federal level. It is our hope that this Administration will continue to play a lead role in marketing health insurance to consumers, especially young people, and to continue to amplify the work being done by the states.

State Flexibility

WAHBE strongly supports HHS's approach of granting states flexibility to serve as the primary regulator of the individual and small group markets. WAHBE strongly supports rules that maintain state flexibility to do what is best for their specific markets, carriers, and consumers.

Web-Based Entities

WAHBE encourages HHS to maintain its approach allowing state-based exchanges to determine the role of web-based entities in each state. WAHBE has had concerns regarding the impact of direct participation of web-based entities on the consumer experience for Exchange enrollees in Washington, so appreciates the flexibility to approach this issue from a state-specific perspective.

SHOP

WAHBE is supportive of the flexibility granted to states with respect to their SHOP programs in recent regulations, and encourages the expansion of this flexibility in the future.

Small group markets vary from state to state, and Washington has been in a somewhat unique situation in which carriers have generally not offered plans through the SHOP Exchange. WAHBE appreciates the ability to address the unique aspects of Washington's small group market using state-focused approaches.

Enforcement of failure to file or reconcile taxes ("FTR")

WAHBE understands the need for a mechanism to track individuals' tax filing and reconciliation history in order to support enforcement of the individual mandate. We strongly encourage additional flexibility from the Administration on the information that exchanges can provide to customer to lessen consumer confusion. We also urge the Administration to support states in adoption of FTR practices that are tailored to their state-specific consumers' needs and Exchange infrastructure.

Grace period beginning January 1

WAHBE strongly recommends that CMS provide state-based exchanges flexibility regarding application of grace periods during the first month of coverage in a year for enrollees who are renewing into their same plan for the next year. Current regulations require that renewing enrollees be provided a grace period starting January 1, even if they do not make a payment for the first month of coverage in a given year. For individuals that are auto-renewed into a plan but choose not to pay for that coverage when they receive their bill, this policy can result in consumers owing a premium for a month of coverage that they did not intend to use. We have experienced consumer confusion and operational challenges with this approach, and would appreciate CMS providing state-based exchanges flexibility with respect to this policy.

Correcting the "family glitch"

WAHBE encourages CMS to revise the definition of "affordable employer-sponsored coverage" in PPACA regulations so that the premiums for all members of an employee's family are taken into consideration when determining whether the employer-sponsored coverage is affordable to a family. The current regulations have an adverse impact on the risk pool by decreasing access to affordable coverage to families, and may even have the unintended effect of deterring employers from offering family coverage to their employees.

WAHBE supports a strong individual insurance market that provides individuals and families with affordable private health insurance options. The exchanges continue to offer a transparent and customer-focused experience for offering health insurance. We look forward to continuing to work with you on these issues. Thank you for the opportunity to comment.

Sincerely,



Pam MacEwan
Chief Executive Officer
Washington Health Benefit Exchange