Highlighted for the Health Reform Task Force

Congress of the United States
Washington, DC 20515

December 2, 2016

Dear Governors and Commissioners:

As Obamacare continues to saddle patients with less choice, higher costs, and mountains of mandates, it is clear that major health care reforms must be made to strengthen and improve health care for all Americans. In the coming months, Congress will begin debating and implementing needed legislation. Lawmakers, Governors, and state insurance commissioners have a tremendous opportunity to achieve our shared goal of enacting health care reforms that lower costs, improve quality, empower states and individuals, and bring our health care system into the 21st Century.

Through our efforts to reach consensus on *A Better Way* for health care, House Republicans gave a lot of thought to policies that would help put health care spending on a more sustainable path, improve innovation, cut costs, empower patients, and increase choices. And we need your ideas too. That is why we are seeking input and recommendations based on your experience overseeing the health insurance markets and Medicaid programs within your state, for both expansion and non-expansion states. Governors and state insurance commissioners play an integral role in the health system and will be invaluable partners as we tackle these important changes together. In fact, we expect that health care officials in your state have already begun deliberative and thorough discussions on what local and unique priorities must be achieved in your upcoming legislative session. Working together, we are hopeful our joint efforts can help your state make fiscally sustainable reforms and give all patients a fair shot at quality, affordable health care.

To begin an ongoing and open dialogue, we would appreciate if you and your staff would take time to provide answers to the following questions:

1. What changes should Congress consider to grant more flexibility to states to provide insurance options that expand choices and lower premiums?
2. What legislative and regulatory reforms should Congress and the incoming administration consider to stabilize your individual, small group, and large group health insurance markets?
3. What are key administrative, regulatory, or legislative changes you believe would help you reduce costs and improve health outcomes in your Medicaid program, while still delivering high quality care for the most vulnerable?
4. What can Congress do to preserve employer-sponsored insurance coverage and reduce costs for the millions of Americans who receive health coverage through their jobs?
5. What key long-term reforms would improve affordability for patients?
6. Does your state currently have or plan to enact authority to utilize a Section 1332 Waivers for State Innovation beginning January 1, 2017?
    a. If allowed, would your state utilize a coordinated waiver application process for both 1115 Medicaid and 1332 State Innovation Waivers for benefit year 2017?

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b. If allowed, would your state utilize a model waiver for expedited review and approval similar to the Medicare Part D transition[1] and assistance for Hurricane Katrina evacuees?[2]
c. If allowed, which requirements would your state seek to waive under a 1332 waiver?
d. If allowed—and if applicable— what changes would be necessary to current guidance to accelerate your state's ability to pursue a 1332 waiver?

7. As part of returning more choice, control and access to the states and your constituents, would your state pursue the establishment of a high-risk pool if federal law were changed to allow one?
8. What timing issues, such as budget deadlines, your legislative calendar, and any consumer notification and insurance rate and form review requirements, should we consider while making changes?
9. Has your state adopted any of the 2010 federal reforms into state law? If so, which ones? What impact would repeal have on these state law changes?

Please provide responses by Friday, January 6, 2017. Please submit all written comments to https://www.majorityleader.gov/**state-healthcare-recommendations**/. Along with your submission, please identify a staffer we can work with to coordinate feedback and meetings.
Additionally, we would be honored if you would join us in Washington early next year to discuss your ideas and better inform the work of Congress. We will invite the Governor and insurance commissioner of every state to attend this meeting.

The American people deserve more patient-oriented solutions driven by innovative thinking that takes into consideration the unique needs of a diverse country. This means more state choices and fewer federal mandates. Our values, based on the principles of Federalism, drive a philosophy that States should have the freedom and flexibility to create options that are best for patients. Insurers should compete for consumer business and treat patients fairly. And Americans should have access to the best life-saving treatments in the world. Working as a team, with your help and creative ideas, we can achieve our mutual goal of putting patients first.

Sincerely,

Kevin McCarthy
House Majority Leader

Kevin Brady
Chairman
House Committee on Ways and Means

Fred Upton
Chairman
House Committee on Energy and Commerce

John Kline
Chairman
House Committee on Education and the Workforce

[1] Centers for Medicare and Medicaid Services. "State Reimbursement for Medicare Part D Transition." January 24, 2006. https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2006-Fact-sheets-items/2006-01-24.html.
[2] Centers for Medicare and Medicaid Services. "Disaster Relief for Hurricane Katrina Evacuees in Texas." September 15, 2005. https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2005-Fact-sheets-items/2005-09-15.html.

Greg Walden
Chair-Elect
House Committee on Energy and Commerce

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