

June 16, 2017

The Honorable Mitch McConnell, Majority Leader
United States Senate
317 Russell Senate Office Building
Washington, D.C. 20510

The Honorable Charles E. Schumer, Minority Leader
United States Senate
322 Hart Senate Office Building
Washington, D.C. 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

We have watched with great interest the recent debate and House passage of H.R. 1628, the American Health Care Act. While we certainly agree that reforms need to be made to our nation's health care system, as Governors from both sides of the political aisle, we feel that true and lasting reforms are best approached by finding common ground in a bipartisan fashion.

To that end, we remain hopeful that there is an opportunity to craft solutions to these challenges that can find support across party lines, delivering improvements to result in a system that is available and affordable for every American.

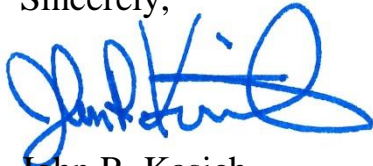
We believe that, first and foremost, Congress should focus on improving our nation's private health insurance system. Improvements should be based on a set of guiding principles, included below, which include controlling costs and stabilizing the market, that will positively impact the coverage and care of millions of Americans, including many who are dealing with mental illness, chronic health problems, and drug addiction.

Unfortunately, H.R. 1628, as passed by the House, does not meet these challenges. It calls into question coverage for the vulnerable and fails to provide the necessary resources to ensure that no one is left out, while shifting significant costs to the

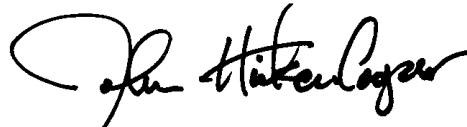
states. Medicaid provisions included in this bill are particularly problematic. Instead, we recommend Congress address factors we can all agree need fixing.

We stand ready to work with you and your colleagues to develop a proposal that is fiscally sound and provides quality, affordable coverage for our most vulnerable citizens.

Sincerely,



John R. Kasich
Governor of Ohio



John W. Hickenlooper
Governor of Colorado



Steve Bullock
Governor of Montana



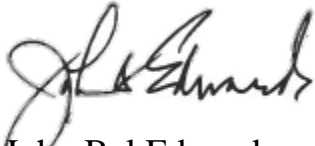
Charles D. Baker
Governor of Massachusetts



Brian Sandoval
Governor of Nevada



Tom Wolf
Governor of Pennsylvania



John Bel Edwards
Governor of Louisiana

A BI-PARTISAN APPROACH TO IMPROVING OUR NATION'S HEALTH INSURANCE SYSTEM

Ensuring that quality health insurance is available and affordable for every American is a bipartisan responsibility. We believe there is common ground in driving down costs and stabilizing the marketplace. States have taken the lead in successfully implementing Medicaid and are uniquely positioned to help make our private health insurance sector vibrant, stable, and fair.

GUIDING PRINCIPLES

- **Improve Affordability**: Insurance reforms that increase access to quality, affordable health insurance coverage must be coupled with reforms that address rising health care costs across the health care system. Insurance reforms should be done in a manner that is consistent with sound and sustainable cost control practices and must also include the following three guiding principles:
- **Restore Stability to Insurance Markets**: Americans without access to employer-sponsored coverage or government plans need to have access to a healthy, stable and competitive market of insurers from which to choose.
- **Provide State Flexibility and Encourage Innovation**: As laboratories of democracy, states can develop innovative approaches that have the potential to strengthen health insurance for all Americans. Within standards that protect the most vulnerable, states should have appropriate flexibility to implement reforms in a manner that is responsive to local and regional market conditions.
- **Improve the Regulatory Environment**: As the principal regulators of insurance, states are in the best position to promote competition within state insurance markets. Federal efforts should provide appropriate standards to protect consumers while limiting duplicative or burdensome regulations and providing relief to small business owners and individuals.