



COMMONWEALTH OF PENNSYLVANIA  
OFFICE OF THE GOVERNOR  
HARRISBURG

THE GOVERNOR

August 16, 2017

The Honorable Pat Toomey  
United States Senate  
248 Russell Senate Office Building  
Washington, DC 20515

Dear Senator Toomey:

When Pennsylvania's individual market insurers filed rates for 2018 plans, they did so assuming the Affordable Care Act would be enforced as it stands today. This includes proper enforcement of the individual mandate and payments for cost-sharing reductions.

Hundreds of thousands of Pennsylvanians rely on the health insurance marketplace for their coverage, and I implore you to support fully funding payments for cost-sharing reductions for the remainder of 2017 and all of 2018.

If Congress does not appropriate the cost-sharing reduction funds, Pennsylvania's individual market insurers will be forced to rely on President Trump, who is unable to make more than a month-to-month commitment to payments or who threatens to discontinue them altogether.

The president's behavior on this issue is creating serious uncertainty. I cannot stress enough how harmful that uncertainty could be to Pennsylvania consumers, particularly those who do not receive financial assistance to help pay their health insurance premiums.

If President Trump elects to discontinue cost-sharing reduction payments, insurers will be forced to increase their rate requests, or choose to sell plans off-exchange only, or remove themselves from the individual market completely. Any and all of these results would jeopardize access to quality, affordable coverage for the 506,000 Pennsylvanians who purchase coverage on the individual market and the 340,000 who receive subsidies to help afford this coverage.

The Congressional Budget Office's scoring of a marketplace without cost-sharing reduction payments hammers home the harm ending these payments will have on consumers. According to the score, released late yesterday, premiums will increase by as much as 20 percent by 2018 and 25 percent by 2020, and insurers will exit the market because of 'extreme uncertainty.'

We now find ourselves in a position I truly hoped we would avoid. Our insurers have little confidence that cost-sharing reduction payments will continue through the entire 2018 policy year, and are concerned about future enforcement of the individual mandate. This after our Insurance Commissioner Teresa Miller has worked tirelessly with insurers to provide as much stability in the state as possible.

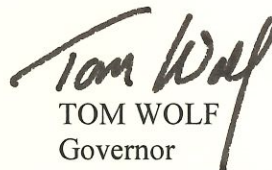
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President Trump has ignored the pleas of governors, regulators, and insurers to protect individual market consumers, but Congress can make things right. Appropriating funds for the remainder of 2017 and all of 2018 would provide certainty that insurance companies so desperately need and that could provide relief for consumers who benefit from access to health insurance made available by the individual market.

Throughout the recent debate on health care, I have been working with governors across the nation to advocate for common sense, bi-partisan reforms that will better our health care system for all. Let's start here. Appropriating cost-sharing reduction funds is an easy opportunity to provide relief for consumers in Pennsylvania and around the country who are facing premium increases unless certainty for these payments is achieved.

I urge you to come together and support appropriating funds for cost-sharing reductions so we can put this issue behind us and begin to address the real factors that drive rising health care costs in our country.

Sincerely,

  
TOM WOLF  
Governor