



February 25, 2022

The Honorable Janet Yellen  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

The Honorable Xavier Becerra  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

**Re: Virginia 1332 State Innovation Waiver Application**

Dear Secretary Yellen and Secretary Becerra:

Thank you for the opportunity to submit comments on Virginia's 1332 State Innovation Waiver Application to Establish a State Reinsurance Program.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting state health insurance marketplaces and the patients that they serve. We urge the Department of the Treasury and the Department of Health and Human Services (Departments) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that any changes to the healthcare system achieve coverage that is adequate, affordable and accessible for patients. A strong, robust marketplace is essential for people with serious, acute and chronic health conditions to access comprehensive coverage that includes all of the treatments and services that they need to stay healthy at an affordable cost. Our organizations support Virginia's efforts to strengthen its marketplace by submitting this application to establish a reinsurance program, and we urge the Departments to approve the application.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high-cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10% to 14% in its first year<sup>1</sup>. More recently, a data brief released by the Center for Medicare and Medicaid Services showed that states with reinsurance waivers have experienced significantly lower individual market premiums than they would have otherwise and have seen gains in insurer participation.<sup>2</sup> Virginia's proposal is consistent with these studies, and estimates that it will lower premium rates by about 15.6% and increase enrollment in the ACA marketplace.

Virginia's proposal to establish a reinsurance program will serve to lower premiums for patients, including those with pre-existing conditions, who might otherwise struggle to afford healthcare. This proposal increases health affordability and equity for Virginians and will help to strengthen the state's overall health insurance market. Our organizations support Virginia's state reinsurance proposal and urge the Departments to approve it.

Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association  
American Lung Association  
Arthritis Foundation  
Cystic Fibrosis Foundation  
Hemophilia Federation of America  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
National Patient Advocate Foundation  
Susan G. Komen  
The Leukemia & Lymphoma Society

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<sup>1</sup> American Academy of Actuaries, Individual and Small Group Markets Committee. An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes. January 2017. Retrieved from [https://www.actuary.org/files/publications/Acad\\_eval\\_indiv\\_mkt\\_011817.pdf](https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf).

<sup>2</sup> Centers for Medicare and Medicaid Services, Center for Consumer Information and Insurance Oversight (CCIIO). State Innovation waivers: State-Based Reinsurance Programs. August 2021. Available at: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/1332-Data-Brief-Aug2021.pdf>.