



July 25, 2018

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar and Administrator Verma,

We write to ask that you act quickly to help put states back in control of their health insurance markets by removing restrictions on 1332 State Innovation Waivers created by the Obama administration. It is crucial that governors have this flexibility now as we begin budgeting and planning for the next fiscal year.

Specifically, we ask that you:

1. Rescind the Obama administration's guidance on 1332 State Innovation Waivers and issue new guidance that increases state flexibility;
2. Coordinate the approval process with states and cut the federal approval timeline; and
3. Make it easier for states to submit State Innovation Waivers together with Medicaid 1115 Demonstration Waivers.

Eight years ago, the Affordable Care Act put Washington, D.C., in charge of health care, signaling to the states that they could not be trusted to regulate insurance for their citizens. A false assumption and message was communicated to governors and state legislators that states won't care for the least of these unless Congress tells them exactly how to do it.

Since the Affordable Care Act exchanges opened, average premiums have gone up 105 percent, with average monthly premiums increasing from \$232 in 2013 to \$476 in 2017.¹ The Centers for Medicare and Medicaid Services recently reported that these premium increases have led to a sharp decline in health care coverage for unsubsidized Americans, who have to pay their own way.² The federal government has failed to deliver on its promises of affordability and access to care.

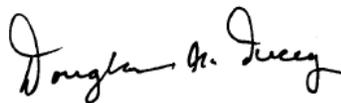
Health care costs under the Affordable Care Act are also crippling state budgets, forcing states to cut back on other services. By removing restrictions on 1332 and 1115 waivers, states will be able to create sustainable markets that meet their unique populations' needs.

We urge you to work with us to make these waivers a true opportunity for states to both lower premiums for their constituents and to begin to undo some of the damage of the Affordable Care Act.

Sincerely,



Governor Bill Haslam
Tennessee



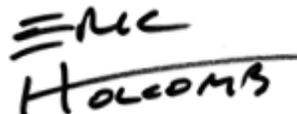
Governor Doug Ducey
Arizona



Governor Asa Hutchinson
Arkansas



Governor C.L. "Butch" Otter
Idaho



Governor Eric Holcomb
Indiana



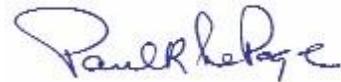
Governor Kim Reynolds
Iowa



Governor Jeff Colyer
Kansas



Governor Matt Bevin
Kentucky



Governor Paul R. LePage
Maine



Governor Phil Bryant
Mississippi



Governor Christopher T. Sununu
New Hampshire



Governor Doug Burgum
North Dakota



Governor Mary Fallin
Oklahoma



Governor Scott Walker
Wisconsin

¹ <https://aspe.hhs.gov/system/files/pdf/256751/IndividualMarketPremiumChanges.pdf>

² <https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/2018-07-02-Trends-Report-2.pdf>