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United States Senate

COMMITTEE ON HEALTH, EDUCATION,
LABOR, AND PENSIONS

WASHINGTON, DC 20510-6300

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<http://help.senate.gov>

June 15, 2018

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

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Azar and Administrator Verma,

I am writing to recommend that you take actions to make the Section 1332 State Innovation Waivers a more powerful tool for state health insurance reforms.

During the four bipartisan hearings I chaired in the Senate health committee last fall on helping individuals trapped in the Obamacare markets, virtually every witness told the committee that the application for the State Innovation Waiver is too cumbersome, inflexible, and expensive for states. I also heard that states will need additional help from the administration on waivers that have innovative designs beyond just reinsurance.

Based upon what we learned in our hearings, I recommend that you:

1. Rescind the State Innovation Waiver guidance to allow for more flexibility in health plan designs. Senator Murray and I reached bipartisan agreement to rescind this guidance in our proposal released last fall.
2. Streamline the approval process for states and create more flexibility in the guardrails to allow for more innovative waivers. Work with the states and the National Association of Insurance Commissioners to develop new guidance, cut the federal approval timeline, create fast-track approval for emergency situations and for "copycat waivers," and create model waivers to help states get approved faster.
3. Remove barriers that prevent states from submitting State Innovation Waivers together with Medicaid 1115 Demonstration Waivers by allowing states to count savings across the two waivers.
4. Work with the National Association of Insurance Commissioners and the National Governors Association to educate states on these waivers and encourage them to apply.

I have tried to fix this problem in Congress. Unfortunately, not a single Democrat would work with us to repeal and replace Obamacare. When efforts to repeal the law stalled, I tried for seven months to find a short-term, bipartisan solution to help Americans trapped in the Obamacare marketplaces – and I appreciate your assistance on those efforts. I worked on a bipartisan proposal that included new permanent flexibility for the State Innovation Waivers, and funding that would have lowered premiums by up to 40 percent. But the Democrats in Congress blocked the proposal. They refuse to change a single word of the broken law.

I am turning to you to help Americans harmed by Obamacare by putting the states back in charge of health insurance through the State Innovation Waivers. I look forward to continuing to work with you to provide our constituents and our states flexibility and relief from Obamacare. If you have any questions, please have your staff contact Virginia Heppner at 202-224-6770.

Sincerely,

A handwritten signature in blue ink that reads "Lamar Alexander". The signature is written in a cursive, flowing style.

Lamar Alexander
Chairman