



July 30, 2021

Congressman Frank Pallone, Jr., Chairman  
House Committee on Energy and Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515428

Senator Patty Murray, Chair  
Senate Committee on Health, Education,  
Labor & Pensions  
Senate Dirksen Building  
Washington, DC 20510

Dear Congressman Pallone and Senator Murray:

The Alliance of Community Health Plans (ACHP) appreciates the opportunity to submit comments in response to the request for information on a public health insurance option.

ACHP represents the nation's top-performing non-profit health plans improving affordability and outcomes in the health care system. ACHP member companies are provider-aligned health organizations that provide high-quality coverage and care to more than 24 million Americans across 36 states and D.C. They are leading the industry in practical, proven reforms around primary care delivery, value-based payment and data driven systems improvement.

We look forward to continuing our efforts to reduce the uninsured and underinsured populations, ensuring access to high-quality, affordable coverage and care for all Americans. ACHP member organizations conduct extensive outreach efforts within their communities to reach the uninsured, relying on trusted community voices and partners. With decades of experience and expertise across all lines of business, it is evident that improvements to existing programs - the Affordable Care Act (ACA), Medicare and Medicaid - are the most promising solution to achieve universal health care coverage in short order.

In response to the specific questions included in your Request for Information, ACHP offers the following insights:

**ACHP believes in a strong private health insurance market, which a poorly designed public option could undermine.** Specifically, a public option that includes reimbursement similar to Medicare rates will drive costs into the commercial market. ACHP is concerned that this would lead to adverse selection, provider network disruptions and other unintended consequences resulting in market instability. This anticipated cost shifting from the public option to commercial carriers in other lines of business, such as employer plans - would drive up premiums creating a spiral of higher rates, decreased enrollment and ultimately carrier departure from markets. This carrier departure would place the burden of increased costs and reduced access and coverage options - due to decreased

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market competition that would normally drive down costs - on group and individual purchasers.

**ACHP believes the needs of the uninsured are more effectively addressed by supporting what works well in our nation's healthcare system today and making improvements where needed in existing programs.** We commend Congress for its leadership in enacting the Affordable Care Act and other health provisions that have significantly reduced the rate of uninsured in the nation and most importantly, improved the health of millions.

1. ACHP recommends Congress build on that success by enhancing existing provisions and reinstate expired provisions of the ACA, such as:
  - a. *Make the Advance Premium Tax Credit (APTC) expansions in the American Rescue Plan Act permanent.* The expansion of APTCs beyond the 400% federal poverty line helps reduce the dramatic increase in coverage costs for consumers previously ineligible for APTCs. In addition, the increased value of APTCs for those eligible helps individuals enroll in coverage better suited to their needs without facing significant premium changes. Making these provisions permanent would significantly impact the affordability of existing coverage options.
  - b. *Reestablish the Federal Reinsurance Program.* A federal reinsurance program, without a state match requirement run and implemented state-by-state, would reduce premiums, making affordable insurance more broadly available. In addition, this program should require funding received through state risk-adjustment calculations to be excluded from reinsurance programs.
  - c. *Make silver loading a permanent option for health insurers.* Silver loading exponentially increases the availability of zero-dollar or near zero-dollar premium plans, yet another crucial step towards closing the coverage gap. The Administration should codify through regulation or guidance to mitigate risk of health plans losing the ability to offer the zero-premium plans.
  - d. *Fix the "Family Glitch."* This glitch affects approximately 5.1 million people – 54% are children and 59% of adults are women. ACHP recommends that employee's dependents become eligible for Marketplace subsidies when the employer-sponsored insurance premium contribution exceeds 9.83 percent of the worker's household income.
2. ACHP recommends Congress support and protect Medicare Advantage, a source of coverage for more than 26 million seniors accounting for nearly half of the Medicare population — and projected to serve over 29 million seniors by 2022.
  - a. *Fix Quality Bonus Payment:* Enact the Medicare Advantage Quality Payment Relief Act to ensure seniors enrolled in high quality MA plans receive full benefits.
  - b. *Fix Benchmark Calculations:* Calculate the MA benchmark with only seniors enrolled in both Medicare Part A and Part B.

