

4/28/2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

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

The Honorable Gary Cohn
Director
National Economic Council
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Speaker Ryan, Minority Leader Pelosi, Majority Leader McConnell, Minority Leader Schumer, Secretary Price, and Director Cohn:

Our organizations, which represent over 560,000 physicians and medical students, write to urge Congress and the Administration to work together to achieve an immediate commitment to continue the cost-sharing reduction (CSR) payments to health plans that are guaranteed under current law. Failure to achieve a commitment to continue the CSR payment would destabilize our nation's health care system, causing many insurers to either exit the health insurance exchanges prior to the 2018 enrollment cycle or substantially raise premiums, and increase costs to the federal government and taxpayers.

Our members are the frontline physicians who provide physical and mental health care services to millions of men, women, and children each day. They provide care to children, the aged, those with chronic conditions, people battling substance use disorders, and the many individuals who are seeking prevention and wellness services. Our members see firsthand the important role that health care coverage and access to affordable, high-quality care plays in people's lives and their pursuit of better health and well-being. They are therefore very concerned about the consequences for patient care should the CSR payments end.

According to an [independent and nonpartisan analysis by the Kaiser Family Foundation](#) (KFF):

"Many insurers might react to the end of subsidy payments by exiting the ACA marketplaces. If insurers choose to remain in the marketplaces, they would need to raise premiums to offset the loss of the payments. We have previously [estimated](#) that insurers would need to raise silver premiums by about

19% on average to compensate for the loss of CSR payments...The premium increases would be higher in states that have not expanded Medicaid (and lower in states that have), since there are a large number of marketplace enrollees in those states with incomes 100-138% of poverty who qualify for the largest cost-sharing reductions.”

Further, the same KFF analysis found that taxpayers and the federal government will spend billions more if the CSR payments are discontinued: “We estimate that the increased cost to the federal government of higher premium tax credits would actually be 23% more than the savings from eliminating cost-sharing reduction payments. For fiscal year 2018, that would result in a net increase in federal costs of \$2.3 billion.”

It is imperative that agreement be reached now to continue the CSR subsidies, since most insurers must begin filing rates in May and need certainty on funding at least through 2018.

Our six organizations are united in our belief that fewer insurers offering coverage, raising premiums, and higher federal spending are outcomes that no one wants—neither political party, nor the Administration, nor the constituents they represent. We know for certain that such outcomes would harm the patients cared for by our members who depend on the marketplace to access coverage. Prior to the ACA, the lack of coverage forced patients to choose between going bankrupt or forgoing care. Thus, we urge Congress to work with the Administration to find an immediate solution to continue the CSR payments to health insurers. Whether it is through the continuing resolution, other legislation, or administrative action, the time to act is now.

Sincerely,

American Academy of Family Physicians
American Academy of Pediatrics
American Congress of Obstetrics and Gynecology
American College of Physicians
American Osteopathic Association
American Psychiatric Association