

OPPOSE SINGLE-PAYER HEALTHCARE SYSTEMS

BACKGROUND

It is no secret that there are many issues to fix within the current U.S. healthcare system. Too many families struggle with rising premiums, too many individuals are unable to get the care they need when they need it, and too many treatments are often out of reach.

Changes need to be made to improve the healthcare system so that it benefits every individual, regardless of where they live or how much they earn. The call for change has transcended political parties with Americans wanting their elected officials to set aside politics and work together to find solutions, without interrupting their current coverage.

There are different proposals to solve the issues associated with the healthcare system, including single-payer proposals, such as "Medicare for All." In the past, these proposals prompted partisan debate at the state and federal level, due in part to inevitable increases in taxes and government healthcare spending.

THE ISSUE

A single-payer healthcare system has major implications for insurance brokers nationwide. **The Council of Insurance Agents & Brokers opposes this type of system because it compromises the employer-provided benefits market on a national scale.** Imposing a government-controlled healthcare system will assign much of the financial burden to American consumers and affect their ability to get and receive care in a timely manner. Specifically, single-payer healthcare proposals will:

- restrict care options and limit access to doctors and specialists
- force Americans to give up their current healthcare coverage
- stifle innovation by de-incentivizing private health insurance companies and providers to revolutionize and transform their products and services to maintain customers
- increase costs by billions or trillions of dollars, which will likely be funded through tax hikes, and
- shift healthcare decisions to politicians in Washington, D.C., giving the federal government control of the healthcare system.

OUR POSITION

The Council of Insurance Agents & Brokers believes that all Americans deserve access to affordable health coverage and high-quality care, and that a one-size-fits-all, government-controlled healthcare system will not achieve those goals. In particular, The Council supports universal coverage that guarantees access to all Americans and enables the premium efficiencies in insurance markets that mitigate rising premiums.

To improve the current U.S. healthcare system, The Council proposes:

- Strengthening employer-provided coverage
- Stabilizing the individual marketplace
- Protecting the healthcare safety net provided by Medicaid
- Maintaining Medicare for our nation's seniors

ABOUT US

The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits brokerage firms worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance.

joel.wood@ciab.com
joel.kopperud@ciab.com
blaire.bartlett@ciab.com

STABILIZE THE INDIVIDUAL INSURANCE MARKETPLACE

And Support Alexander/Murray and Costello/Peterson

BACKGROUND

Employer-Sponsored Insurance (ESI) is the most common type of health coverage in the United States, with more than 177 million Americans depending on it. The Kaiser Family Foundation reports that the average premium increase for families in employer groups rose only 3 percent in 2017. ESI's strength and stability is directly linked to a stable individual insurance market. If the individual market destabilizes or implodes, the costs to cover uninsured individuals will be shifted to the employer-sponsored market, raising costs for employers, increasing premiums for employees, and decreasing benefits for ESI recipients. Unfortunately, the average increase for families in the individual market rose 20 percent in 2017. Approximately 20 million Americans purchase their insurance on the individual market.

THE ISSUE

Health insurance policies purchased in the individual market are increasingly expensive as insurers continue to exit markets across the country, decreasing competition and leaving the remaining carriers with risk pools that lack healthy balance and are increasingly expensive. Senators Lamar Alexander and Patty Murray crafted legislation last year intended to help stabilize the individual insurance markets by guaranteeing **Cost Sharing Reduction (CSR)** payments to health insurance companies for two years to encourage their market participation and mitigate rising premiums.

The legislation specifically requires states to certify within 60 days that they will ensure that issuers of qualified health plans receiving payments are providing "a direct financial benefit to consumers and the Federal Government, as applicable," and provide a plan for ensuring that such benefits are delivered. Those plans would have to include monthly, one-time, and after-the-year rebates—considered part of the premium and taken into account for risk adjustment and "any other relevant downstream financial calculations," but not for premium subsidy purposes—and "other means of providing a direct financial benefit."

The legislation would also liberalize the ACA's **1332 waiver process** to allow states more flexibility with plan design respective to cost and coverage requirements. Instead of only allowing approval of plans that are "as affordable as" existing exchange plans, HHS can approve waivers for states that will offer plans with "comparable" affordability. **The agreement enjoys broad bipartisan support in both chambers.**

Separately, legislation in the House authored Congressman Ryan Costello (R-PA) and Collin Peterson (D-MN) would fund cost-sharing payments retroactively from 2017 to 2019, and would establish a \$30 billion federal reinsurance program. The Council supports the measure.

OUR POSITION

The Council supports liberalizing the 1332 waiver process, codifying the ACA's Cost Sharing Reduction (CSR) Payments, and creating reinsurance pools to mitigate premium increases and seek stabilization in the individual insurance market. We urge members of the House and Senate to support these policies and to strengthen the individual markets before their erosion bleeds into employer-sponsored markets. Further erosion of the individual markets would risk undermining the cost-containment strengths and affordability of employer sponsored insurance.

ABOUT US

The Council of Insurance Agents & Brokers is the premier association for the top regional, national and international commercial insurance and employee benefits brokerage firms worldwide. Council members are market leaders who annually place 85 percent of U.S. commercial property/casualty insurance.

joel.wood@ciab.com
joel.kopperud@ciab.com
blaire.bartlett@ciab.com