



Advocacy Department

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July 5, 2018

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

Honorable Steven Mnuchin, Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Dear Secretary Azar and Secretary Mnuchin:

On behalf of the American Heart Association and the American Stroke Association (AHA/ASA), we would like to thank you for the opportunity to provide written comments on Maine's Section 1332 State Innovation Waiver Application.

As the nation's oldest and largest voluntary organization dedicated to building healthier lives free from heart disease and stroke, our nonprofit and nonpartisan organization represents over 100 million patients with cardiovascular disease (CVD) and includes over 40 million volunteers and supporters committed to our goal of improving the cardiovascular health of all Americans. AHA has worked diligently for many years to support and advance strong public health policies in addition to providing critical tools and information to providers, patients, and families in order to prevent and treat these deadly diseases.

The AHA believes everyone should have quality and affordable healthcare coverage and a strong, robust marketplace is essential for people with CVD to access the coverage that they need. To that end, a well-designed reinsurance program can help offset the costs of enrollees with expensive health care needs. Additionally, implementing a reinsurance program could also help to alleviate other systemic problems within the state insurance exchange including smaller provider networks and low issuer participation. The AHA would like to express our support for the proposal.

As you are aware, reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also

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established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.<sup>1</sup> In Minnesota, a state already implementing a reinsurance program through a 1332 waiver approved last year, insurers recently filed proposed rates for 2019 that were between 3 and 12.4 percent below 2018 premiums.<sup>2</sup> We are pleased to see that the state estimates that the program will reduce premiums by 9 percent in 2019 and increase the number of people able to obtain coverage.

The AHA is also pleased that the state acknowledges that the comprehensiveness and affordability of coverage offered on the individual markets will not be altered by the 1332 waiver proposal. The patient protections extended to individuals with pre-existing conditions under the Affordable Care Act (ACA) including the ten essential health benefit categories, guaranteed issue, out of pocket maximums and many other critical consumer protections are the bedrock of care for our patients. These guarantees make our healthcare system navigable for CVD patients and we commend the state for ensuring that the waiver proposal does not alter the integrity of these requirements.

On behalf of the American Heart Association and American Stroke Association, thank you for reviewing our comments. We appreciate the opportunity to provide feedback on this application. If you have any questions, please contact Katie Berge, Government Relations Manager at [katie.berge@heart.org](mailto:katie.berge@heart.org).

Sincerely,



Sue Nelson  
Vice President of Federal Advocacy

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<sup>1</sup> American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes*. January 2017. Retrieved from [https://www.actuary.org/files/publications/Acad\\_eval\\_indiv\\_mkt\\_011817.pdf](https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf).

<sup>2</sup> Minnesota Department of Commerce. *Insurers' 2019 Proposed Health Insurance Rates*. Retrieved from <https://mn.gov/commerce/consumers/your-insurance/health-insurance/rates/rate-filings/2019/>.



via electronic submission

July 3, 2018

Seema Verma  
Administrator  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
7500 Security Boulevard  
Baltimore, MD 21244

**Re: ACS CAN's Comments on Proposed 1332 Waiver**

Dear Administrator Verma:

The American Cancer Society Cancer Action Network (ACS CAN) appreciates the opportunity to comment on the Maine Bureau of Insurance's Section 1332 waiver proposal. ACS CAN, the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. As the nation's leading advocate for public policies that are helping to defeat cancer, ACS CAN ensures that cancer patients, survivors, and their families have a voice in public policy matters at all levels of government.

ACS CAN supports a robust marketplace from which consumers can choose a health plan that best meets their needs. Access to health care is paramount for persons with cancer and survivors. In the United States, there are more than 1.7 million Americans who will be diagnosed with cancer this year.<sup>1</sup> An additional 15.5 million Americans are living with a history of cancer.<sup>2</sup> In Maine, an estimated 8,600 Mainers are expected to be diagnosed with cancer this year<sup>3</sup> and another 87,630 Mainers are cancer survivors.<sup>4</sup> For these Americans access to affordable health insurance is a matter of life or death. Research from the American Cancer Society has shown that uninsured Americans are less likely to get screened for cancer and thus are more likely to have their cancer diagnosed at an advanced stage when survival is less likely and the cost of care more expensive.<sup>5</sup>

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<sup>1</sup> American Cancer Society. Cancer Facts & Figures: 2018. Atlanta: American Cancer Society, 2018.

<sup>2</sup> Id.

<sup>3</sup> Id.

<sup>4</sup> American Cancer Society. Cancer Treatment & Survivorship: Facts & Figures 2016-2017. Atlanta: American Cancer Society, 2016.

<sup>5</sup> E Ward et al, "Association of Insurance with Cancer Care Utilization and Outcomes, CA: A Cancer Journal for Clinicians 58:1 (Jan./Feb. 2008), <http://www.cancer.org/cancer/news/report-links-health-insurance-status-with-cancer-care>.

A well-designed reinsurance program can help to lower premiums and mitigate plan risk associated with high-cost enrollees. We note that the Maine Bureau of Insurance estimates that the proposed reinsurance program will reduce premiums by 9 percent in 2019, and similar percent reductions in years 2020-2028.<sup>6</sup> These savings will not only benefit the federal government through reduced subsidy payments (estimated to be in excess of \$33 million per year through 2027), but will also benefit consumers not eligible for subsidies who enroll in coverage through the exchange who will see lower premiums.

A reinsurance program may also encourage insurance carriers to continue offering plans through the exchange, or begin to offer plans, as applicable. The waiver application notes that one of the biggest insurers in the state stopped selling insurance through the marketplace in 2018, with rising premiums as a result. The expected maintenance or increase in plan competition due to the reinsurance program also may help to keep premiums from rising. These premium savings could help cancer patients and survivors afford health insurance coverage, and may allow some individuals to enroll who previously could not afford coverage (the Bureau estimates a 1.1 percent increase in enrollment in marketplace plans in 2019 and subsequent increases ranging from 0.3 to 0.9 percent through 2028) if the reinsurance program is reinstated<sup>7</sup>).

ACS CAN supports Maine's proposed 1332 waiver program because, as discussed in the application, the waiver would not adversely affect enrollees' scope of benefits or decrease the number of individuals with coverage that meets the ACA's Essential Health Benefits requirements. ACS CAN believes that patient protections in current law – like the prohibition on pre-existing condition exclusions, lifetime and annual limits, and Essential Health Benefits requirements – are crucial to making the healthcare system work for cancer patients and survivors. Our support for this proposal is conditioned on the waiver and the Department's implementation maintaining these protections and benefits.

We note that under the waiver, the reinsurance program would be run through the Maine Guaranteed Access Reinsurance Association (MGARA). We encourage CMS to prioritize transparency in its oversight of the program if Maine's waiver application is approved. For example, a previous version of this proposal detailed a process by which enrollees would be ceded to the reinsurance pool due to health condition or based on information collected from the enrollee via a detailed health questionnaire.<sup>8</sup> We believe that public comment is warranted on the nature and scope of the health questionnaire, should MGARA continue the use of this practice. We urge CMS to encourage MGARA use a robust public comment process in implementing this questionnaire and process.

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<sup>6</sup> State of Maine. Executive Summary. Application for Waiver under Section 1332 of the Patient Protection and Affordable Care Act. Available at <https://www.maine.gov/pfr/insurance/mgara/Complete%20Maine%201332%20Waiver%20Application%20and%20Exhibits.pdf>

<sup>7</sup> *Id.*

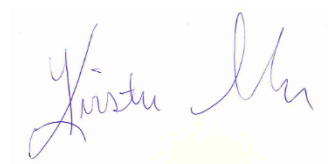
<sup>8</sup> Maine Guaranteed Access Reinsurance Association. Health Assessment Form. Individual Insurance Plan. Available at <http://www.mgara.org/Health%20Assessment%20Form.pdf>.

Finally, we urge CMS to encourage the MGARA to adopt additional transparency measures so that consumers and consumer groups are able to actively participate in the Board's proceedings. We believe the Board will benefit from such consumer representation. We also urge MGARA to provide more frequent transparency. For example, while we are pleased that the Board's website provides minutes of Board meetings, such minutes are not updated in a timely manner (for example, no minutes have been posted for the January 2018 meeting<sup>9</sup>) nor are public comments available on the website. We appreciate CMS' efforts to increase transparency in these areas.

### Conclusion

On behalf of the American Cancer Society Cancer Action Network, we thank you for the opportunity to comment on the proposed section 1332 waiver, which we believe will provide long-term viability of the individual market while not eroding important consumer protections. If you have any questions, please feel free to contact me at [Kirsten.Sloan@cancer.org](mailto:Kirsten.Sloan@cancer.org) or 202-585-3240.

Sincerely,

A handwritten signature in blue ink that reads "Kirsten Sloan". The signature is written in a cursive style and is positioned above a yellow rectangular highlight.

Kirsten Sloan  
Vice President, Public Policy  
American Cancer Society Cancer Action Network

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<sup>9</sup> The most recent minutes posted to the MGARA website are for the October 16, 2017 Board meeting. See Maine Guaranteed Access Reinsurance Association, Board of Directors. Available at <http://www.mgara.org/BoardOfDirectors.htm> (accessed April 25, 2018). According to the minutes, the Board noted the next formal quarterly meeting would take place on January 8, 2018. See Maine Guaranteed Access Reinsurance Association, Minutes of Board of Directors, October 16, 2017. Available at <http://www.mgara.org/mins10.16.17.pdf> (accessed April 25, 2018). The website does not include any information regarding a January meeting.



July 6, 2018

Honorable Alex Azar  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC

Honorable Steven Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Re: Maine Section 1332 State Innovation Waiver

Dear Secretary Azar and Secretary Mnuchin,

On behalf of people with cystic fibrosis, the Cystic Fibrosis Foundation appreciates the opportunity to express support for Maine's 1332 State Innovation Waiver application to operate a reinsurance program and urges the Departments to approve the application.

Cystic fibrosis (CF) is a life-threatening genetic disease that affects 249 people in Maine and 35,000 children and adults in the United States. CF causes the body to produce thick, sticky mucus that clogs the lungs and digestive system, which can lead to life-threatening infections. As a complex, multi-system condition, CF requires targeted, specialized treatment and medications.

We appreciate the state's efforts to improve coverage and affordability without compromising critical patient protections that individuals with cystic fibrosis rely on. People with CF benefit from insurance marketplaces that offer affordable health plans that cover their complex health needs. The Cystic Fibrosis Foundation supports Maine's creation of a reinsurance program that will make coverage more affordable and expand plan choice by encouraging insurer participation in the marketplace.

Reinsurance has been an effective measure to slow premium growth and protect against adverse selection at the federal level, as well as in states. The American Academy of Actuaries estimated that the federal reinsurance program reduced premiums by 10 to 14 percent in the individual market in 2014.<sup>1</sup> In Alaska, the state's lone marketplace insurer reduced its 2017 requested premium increase from over 40 percent to just under 10 percent after the state announced its reinsurance program.<sup>2</sup> Additionally, after

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<sup>1</sup> American Academy of Actuaries. *Drivers of 2015 Health Insurance Premium Changes*. (Online). June 2014. Available: [https://www.actuary.org/files/2015\\_Premiums\\_Drivers\\_Updated\\_060414.pdf](https://www.actuary.org/files/2015_Premiums_Drivers_Updated_060414.pdf)

<sup>2</sup> Premera Blue Cross Blue Shield of Alaska, *Premera Blue Cross Files 2017 Individual Health Plan Rates* (Online). July 18, 2016. Available: [https://www.premera.com/ak/visitor/about-premera/press-releases/2016\\_07\\_18/](https://www.premera.com/ak/visitor/about-premera/press-releases/2016_07_18/)

Minnesota received approval to implement its reinsurance program, insurers proposed rates for 2019 that were between 3 and 12.4 percent below 2018 premiums.<sup>3</sup>

The Cystic Fibrosis Foundation appreciates the opportunity to provide input on these important policy changes. As the health care landscape continues to evolve, we look forward to working with the state of Maine to ensure high-quality, specialized CF care and improve the lives of all with cystic fibrosis. Please consider us a resource moving forward.

Sincerely,



Mary B. Dwight  
Senior Vice President of Policy & Advocacy  
Cystic Fibrosis Foundation



Lisa Feng, DrPH  
Senior Director of Policy & Advocacy  
Cystic Fibrosis Foundation

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<sup>3</sup> Minnesota Department of Commerce. *Insurers' 2019 Proposed Health Insurance Rate*. (Online). June 2018. Available: <https://mn.gov/commerce/consumers/your-insurance/health-insurance/rates/rate-filings/2019/>.



July 6, 2018

Honorable Alex Azar  
Secretary  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC

Honorable Steven Mnuchin  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Re: Maine Section 1332 Waiver Comments

Dear Secretary Azar and Secretary Mnuchin:

Thank you for the opportunity to submit comments on Maine's Section 1332 State Innovation Waiver Application.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting state health insurance marketplaces and the patients that they serve. We urge the Department to make the best use of the recommendations, knowledge and experience our organizations offer here.



Our organizations are committed to ensuring that any changes to the healthcare system achieve coverage that is adequate, affordable and accessible for patients. A strong, robust marketplace is essential for people with serious, acute and chronic health conditions to access comprehensive coverage that includes all of the treatments and services that they need to stay healthy at an affordable cost. Our organizations support Maine's efforts to strengthen its marketplace by submitting this 1332 State Innovation Waiver to implement a reinsurance program, and we urge the Departments to approve the application.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.<sup>i</sup> In Minnesota, a state already implementing a reinsurance program through a 1332 waiver approved last year, insurers recently filed proposed rates for 2019 that were between 3 and 12.4 percent below 2018 premiums.<sup>ii</sup>

Under Maine's proposal, the state would implement a reinsurance program starting for the 2019 plan year and continuing for five years, with an option to renew for an additional five years. According to the state's analysis, this program is projected to reduce premiums by nine percent in 2019 and increase the number of individuals obtaining health insurance through the individual market by 1.1 percent. A reinsurance program would help patients with pre-existing conditions obtain affordable, comprehensive coverage. We urge the federal government to ensure that this reinsurance program is designed in a transparent manner with adequate opportunities for consumer input so that the program meets the needs of patients with pre-existing conditions.

As states consider different ways to stabilize their marketplaces, our organizations are pleased that Maine has submitted an application that is projected to improve coverage and affordability without compromising access to essential health benefits or jeopardizing other important protections that our patients rely on. Our organizations believe that this Section 1332 State Innovation Waiver will help stabilize the individual market in Maine and help patients and consumers, and we urge the Departments to quickly approve the application. Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association  
American Lung Association  
Arthritis Foundation  
Crohn's and Colitis Foundation  
Cystic Fibrosis Foundation  
Epilepsy Foundation  
Hemophilia Federation of America  
Leukemia & Lymphoma Society  
Lutheran Services in America  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
National Psoriasis Foundation  
March of Dimes

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<sup>i</sup> American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes*. January 2017. Retrieved from [https://www.actuary.org/files/publications/Acad\\_eval\\_indiv\\_mkt\\_011817.pdf](https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf).

<sup>ii</sup> Minnesota Department of Commerce. *Insurers' 2019 Proposed Health Insurance Rates*. Retrieved from <https://mn.gov/commerce/consumers/your-insurance/health-insurance/rates/rate-filings/2019/>.