

Congress of the United States
Washington, DC 20515

February 12, 2014

The Honorable Mike Kreidler, Commissioner
Washington State Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

Dear Commissioner Kreidler:

We are writing to express our deep concerns with the impacts of the *Affordable Care Act* on children and families in Washington State. Despite promises made by the Administration that the law would lower costs and increase access to quality and affordable health care for millions of Americans, we have heard from many of our constituents that their premiums and out-of-pocket costs have increased and they have lost access to the doctors they have trusted with their family's health care for years. In particular, we are concerned with the lack of access to providers at some of our region's top medical centers. As you work to approve qualified health plans for participation in the Washington Exchange in 2015, we request that you make every effort possible to strike an appropriate balance between providers and insurance carriers to ensure patients have access to proper care.

Under the *Affordable Care Act*, individuals, employers, and health insurance carriers are facing numerous mandates and crippling taxes, including the new health insurance tax, medical device tax, limited age rating bands, medical loss ratio limitations, and a requirement to cover a minimum package of benefits. All together, these provisions have placed upward pressure on premiums and leave insurers with few tools left to maintain, or even drive down costs. With limited options remaining, insurers are incentivized to narrow their provider networks to keep premiums low for consumers. As a result, the law is accelerating the growth of tiered insurance plans which harm patient access to appropriate care.

We have already seen the effects of this troubling trend in Washington State where premier medical centers such as Seattle Children's Hospital were excluded from most exchange plans. This means many children no longer have in-network, affordable access to the only Level IV neonatal intensive care unit in the region, and patients are excluded from receiving world-renowned pediatric specialty care and the benefits of experimental research conducted by Seattle Children's. Unfortunately, we also know that this problem is not unique to Washington but is symptomatic of the flawed health care law. A December 2013 study by McKinsey & Co. examined twenty metropolitan areas, including Seattle, and found that seventy percent of hospital networks on the exchanges created by the *Affordable Care Act* are narrow or ultra narrow. We are extremely concerned that failure to reverse this trend will especially harm children with medically complex conditions and those battling cancer; we must ensure children have access to life-saving care.

Even more alarming, an imbalance of good and bad risk in the market caused by too few young and healthy enrollees in qualified health plans relative to the number of older and sick

individuals could exacerbate the proliferation of narrow networks in 2015 and further restrict patients' access to their doctors. During your testimony before the Ways and Means Health Subcommittee on December 4, 2013 you confirmed that the Washington Exchange was not attracting the volume of young and healthy individuals needed to make the system work. Is Washington State currently on track to meet its enrollment targets for this demographic in 2014? If enrollment does not improve and there is a poor claims experience, will you work with insurers and provide the flexibility needed to prevent premiums from spiking and the further narrowing of networks in 2015? We are very concerned that insufficient enrollment in qualified health plans will place additional pressure on insurers to increase premiums and reduce provider networks in 2015. To our constituents, this means higher costs and fewer options.

Finally, we appreciated your comments before the Health Subcommittee when you stated your primary focus is to ensure individuals have appropriate access to health care. We could not agree more; we must ensure all individuals and families have access to affordable and high quality health care. Unfortunately, the *Affordable Care Act* falls short of this goal. The emphasis on cost savings through various mandates has masked the true costs of the law – higher out-of-pocket expenses, higher taxes, and narrower networks that have reduced not improved patient choice and access to care.

As you make progress towards the approval of qualified health plans for 2015 and as you continue your work re-examining the state's existing network adequacy regulations, we urge you to work with stakeholders to seek solutions that protect patients and appropriately balance consumers' desire for affordability with the need for greater choice and access to appropriate care. Thank you for your prompt attention to this critically important health care challenge and we look forward to your reply.

Sincerely,



DAVE REICHERT
Member of Congress



JAIME HERRERA BEUTLER
Member of Congress



DOC HASTINGS
Member of Congress



CATHY MCMORRIS RODGERS
Member of Congress