



FOR IMMEDIATE RELEASE
September 26, 2017

Contact:
Kelly Lousedes, Senior Vice President of Public Relations
(202) 595-3074 or klousedes@nahu.org

NAHU Statement on the Graham-Cassidy Healthcare Reform Plan

Washington — The National Association of Health Underwriters (NAHU) issued the following statement on the healthcare reform bill proposed by Senators Lindsey Graham (R-SC), Bill Cassidy (R-LA), Dean Heller (R-NV) and Ron Johnson (R-WI):

Ensuring private health insurance market stability and competition, as well as improving health coverage affordability, are among NAHU's top goals. As such, we are unable to support the Graham-Cassidy-Heller-Johnson proposal as it lacks what we believe are the key tenets of market stabilization.

The proposal would dramatically restructure the Affordable Care Act (ACA) from the federal government to the states. While some level of returning decisions to the states is desirable, the proposed legislation is likely to have unintended consequences including a larger number of uninsured individuals, without actually taking the steps needed to stabilize the individual health insurance market.

The new plan would redirect ACA funds back to the states as block grants allowing states broad authority to determine how to apply these funds in the states. To that end, states could take actions that would eliminate important consumer protections as well as go far beyond ACA requirements, such as adopting single-payer or a public option for one or more markets.

While NAHU seeks greater flexibility for states to innovate on health reform, we do not believe that the flexibility proposed under the proposal is appropriate. The expansion of state waivers without any of the necessary 'guardrails' in effect under the ACA's current 1332 waiver program could undermine employer-based coverage, which is one of the indispensable pillars of the employment-based system. While some loosening of 1332 waiver restrictions is desirable, some minimum standards are needed to ensure that outcomes are positive rather than detrimental to markets that are not currently at risk.

Furthermore, establishing 51 completely different versions of healthcare systems in the states and District of Columbia could not only eliminate provisions that protect consumers but could also cause an enormous compliance burden for employers attempting to navigate the various health systems and their corresponding regulations and requirements.

We also have serious concerns with the retention of the Cadillac tax and the Health Insurance Tax (HIT), which, once they are retained in this proposal will effectively make them permanent, as states will grow dependent on these funds for implementing their health reforms. The Cadillac tax will impose a 40% excise tax on health plans that exceed certain cost thresholds beginning in 2020, while the HIT is currently under a one-year moratorium and is set to take effect again next year, adding an additional \$500 to average premiums per affected family every year.

As further changes are considered, NAHU believes it will be critical to carefully consider the impact on health insurance markets. Our top priority should be improving private health insurance markets and creating a more patient-centered healthcare system that adheres to the key principles of affordability, accessibility, quality and innovation.

The National Association of Health Underwriters represents 100,000 professional health insurance agents and brokers who provide insurance for millions of Americans. NAHU is headquartered in Washington, D.C. For more information, visit www.nahu.org.

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