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The Honorable Orrin Hatch
Chairman, Senate Committee on Finance
104 Hart Senate Office Building
Washington, DC 20515

The Honorable Kevin Brady
Chairman, House Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

Dear Senator Hatch and Representative Brady:

Wisconsin has consistently been a leader in providing health care stability to our residents. However, many in our state are experiencing skyrocketing premiums, shifting insurance options and other uncertainty because of the disruption caused by the Affordable Care Act. Some citizens in the individual market are facing sky-high premium hikes. People with preexisting conditions are concerned they will lose their health insurance coverage. Seniors are worried about being able to afford their prescription drugs.

To address this, we recently proposed a Wisconsin-based solution called the Health Care Stability Plan, which consists of three parts: seeking a 1332 State Innovation Waiver for a reinsurance program; passing a state law protecting those with preexisting conditions; and requesting a non-expiring waiver from the U.S. Department of Health and Human Services, Center for Medicaid Services (CMS) to secure our SeniorCare prescription drug program.

The Wisconsin State Legislature recently passed legislation authorizing Wisconsin to seek the 1332 State Innovation Waiver, and we are signing it into law today. Our proposed 1332 Waiver establishing a reinsurance program will help stabilize premiums for our residents. Right now, people across Wisconsin are facing unsustainable increases in the individual market. Kristine from Brown County, for instance, saw her premiums increase almost \$2,000 per month, a 120% increase. These increases on working men and women in Wisconsin are unacceptable. Our Office of the Commissioner of Insurance will seek to create a sustainable and successful reinsurance program in Wisconsin that addresses the concerns of people like Kristine.

Section 1332 State Innovation Waivers were included in the Affordable Care Act to allow states to pursue innovative strategies to ensure residents have access to affordable health insurance options. Proposals under the 1332 waiver can range from reinsurance mechanisms to stopgap measure plans. While the State Innovation Waiver is certainly a useful tool for states like Wisconsin to address a myriad of health care issues and the uncertainty created by the Affordable Care Act, the bureaucratic process that is required to receive and implement a waiver is inefficient and cumbersome.

Several bipartisan proposals currently before Congress address a number of Wisconsin's concerns related to the 1332 State Innovation Waiver approval process. We believe these proposals are a good start to improve the 1332 waiver process and to allow states the flexibility to appropriately address the rising costs and instability in the individual health insurance market. Specifically, we support the following measures to make this process more efficient:

1. Eliminate the 45-day completeness review period;
2. Shorten the 180-day approval timeline for HHS;
3. Require open dialogue with states during the review process;
4. Allow states to adjust the waiver request during the review process, as needed;
5. Establish a fast-track approval process for waivers that address an urgent or emergency situation, such as counties without providers, excessive premium increases, and notification of an insurer exiting the market;
6. Create a process that allows HHS to approve sections of the waiver as review is completed; and
7. Clarify that state outreach to stakeholders and constituents prior to submitting a waiver request may meet cognate federal requirements for public hearings and public comment.

Implementing these reforms to the 1332 State Innovation Waiver process will allow states to efficiently develop and implement unique solutions that address the health care issues facing their state. As governor, I have made regulatory efficiency and clarity for permits a priority so that businesses and individuals can make important investment or expansion decisions. The federal process should similarly ensure that states get prompt and clear answers on waiver requests.

Wisconsinites need stability in the individual health insurance market. Our Health Care Stability Plan will provide needed relief, but we need reforms to the 1332 Waiver process to ensure that our waiver, when submitted, will be processed in an efficient and timely manner. Our recommended changes to the 1332 waiver process are a good place to start, but they are only one part of the significant reform that is needed to provide stability in the health care market.

Thank you for your consideration and ongoing efforts to address health care issues facing this country. We look forward to working with you.

Sincerely,



Scott Walker
Governor

cc:

Senator Ron Johnson
Senator Tammy Baldwin
Speaker Paul Ryan
Congressman Mark Pocan
Congressman Ron Kind
Congresswoman Gwen Moore
Congressman Jim Sensenbrenner
Congressman Sean Duffy
Congressman Mike Gallagher
Congressman Glenn Grothman

