



Joseph R. Swedish

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March 9, 2017

The Honorable Greg Walden
Chairman
Energy and Commerce Committee
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Kevin Brady
Chairman
Ways and Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Walden and Brady,

Much has been said and written – both positive and negative – about the Affordable Care Act (ACA) over the years. As the CEO of a health insurance company that serves over one million members in the Individual market across fourteen states and partners with twenty states to serve over six and one-half million Medicaid beneficiaries, I know the challenges we face now and those ahead.

Anthem has served consumers in the Individual market for more than seven decades; when the exchanges went live, we were there to serve our customers and we are still there today. While we have performed better than many of our competitors, it is increasingly difficult to remain in the exchange market under its current structure. As it stands today, Anthem is the only health insurance company offering health plans to consumers on the ACA exchanges in roughly a third of the counties we serve in the fourteen states in which we operate in the commercial market, and in most instances in rural areas of the country.

As I have said publicly, without significant regulatory and statutory changes to the Individual market, we will begin to “surgically extract” Anthem from that market beginning in 2018. Currently, we are in the process of formulating our rates and making decisions on market participation for the Individual market in our fourteen states for 2018. Some states require us to file 2018 rates and products beginning in mid-April, so the work you are doing is crucial if it is to impact our 2018 decisions and the health care options for millions of Americans.

The time to act is now. The American Health Care Act addresses the challenges immediately facing the Individual market and will ensure more affordable health plan choices for consumers in the short term,

including through the expanded use of health savings accounts (HSAs). Among the provisions in the American Health Care Act that will help achieve these objectives and are critically important:

- Establishment of the Patient and State Stability Fund;
- Repeal of the ACA's Health Insurance Tax;
- Continuation of the Cost Sharing Reduction (CSR) subsidies; and,
- Allowing the use of tax credits for "off exchange" health plans

These provisions are essential and must be finalized quickly to have the intended impact on products and prices to benefit consumers. We have discussed other reforms needed that may not be available under a reconciliation package, including the necessary appropriation of funds for CSRs in 2018 and 2019. Without these changes, the market will continue to deteriorate in 2018 and therefore I am writing to offer my support for moving this process forward as quickly as possible.

Anthem is committed to working with federal and state policy makers and regulators, as well as consumers, to provide ideas and data to support the policymaking process. In this vein, we will work swiftly to make recommendations to further help secure affordable coverage for all who need it. We are thoroughly reviewing and evaluating the legislation further to better understand the changes to both the Individual market and the Medicaid program. In particular, we will be seeking to ensure continuation of comprehensive Medicaid benefits, including Medicaid home and community-based services, beyond acute care to all who need them, most notably people with disabilities, older adults, and children and families who depend upon them. Based on our extensive experience serving Medicaid members – both traditional and expansion – it will be of vital importance to ensure spending projections are accurate.

We are confident that working together we can find both legislative and regulatory solutions to create a sustainable path forward for our entire health care system for all Americans.

Sincerely,

A handwritten signature in black ink that reads "Joseph R. Swedish". The signature is written in a cursive style with a long horizontal stroke at the end.

Joseph R. Swedish
Chairman, President and Chief Executive Officer
Anthem, Inc.