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GOVERNMENTAL AFFAIRS

United States Senate

June 12, 2017

Commissioner Matt M. Rosendale
Office of the Montana State Auditor
840 Helena Avenue
Helena, MT 59601

Dear Commissioner Rosendale:

I write to you regarding the upcoming filings for 2018 insurance premium rates in Montana. It is critically important that we ensure this process is transparent so Montanans understand how it affects the premiums they will pay in 2018. Your office plays a lynchpin role in ensuring Montanans do not pay more than a reasonable rate for their health coverage. I encourage you to use your position to provide Montanans with as much transparency as possible so we can make sound decisions on how best to make quality health care more affordable.

More than 22,000 Montanans—40 percent of Montanans who buy insurance in the Marketplace—rely on cost-sharing reductions to keep their health care costs low. Years ago, the federal government committed to offering these cost-sharing reductions to help folks reduce their deductibles, copays, coinsurance, and out of pocket maximums. In spite of this commitment, the Trump Administration has irresponsibly refused to say whether it will continue to provide these important cost-sharing reductions. This creates uncertainty that directly threatens health care for Montanans.

Insurers have said that that they could file reasonable premium proposals if they had confidence that cost-sharing reductions would continue. I encourage you to help push the Trump Administration to make the common-sense commitment to continue cost-sharing reductions. In the absence of that commitment insurers face enormous uncertainty that is directly impacting their 2018 premium proposals. As you know, the National Association of Insurance Commissioners, an organization you belong to, just last month said that as long as the cost-sharing reduction issue “remains unresolved...the uncertainty of this funding could add a 15-20% load to [premium] rates, or even more”.

Insurance commissioners in other states have recognized this and asked their insurers to file two sets of proposed premiums: 1) rates that reflects continued cost-sharing reductions, and 2) rates that apply if cost-sharing reductions end. The evidence is clear—without the certainty of continued cost-sharing reductions, insurers will charge higher premiums. I encourage you to request that insurers provide Montanans information about the impact that this uncertainty will have on the size of their premiums.

It isn't just the concern hanging over cost-sharing reductions that is driving up premiums around the country. Insurers also say that the uncertain future of our health care laws is forcing them to either jack up premiums much more than they otherwise would, or pull out of marketplaces altogether. This willful creation of chaos and uncertainty is unacceptable and dangerous, and Montanans deserve better. That's why I also encourage you to request that insurers provide information on how the uncertain future of current health care laws has impacted their 2018 premium proposals.

I look forward to your response, and I look forward to working with you to ensure that Montanans have access to every available resource to keep health care costs affordable.

Sincerely,

A handwritten signature in blue ink that reads "Jon Tester". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Jon Tester