

United States Senate
WASHINGTON, DC 20510

February 21, 2022

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue S.W.
Washington, D.C. 20201

Dear Administrator Brooks-LaSure,

Over 65,000 hard-working Iowa farmers, small business owners, and their families currently access high-quality and affordable health insurance through transitional health plans.¹ The Centers for Medicare & Medicaid Services (CMS) has permitted these plans for approximately a decade.² We request that CMS quickly permit transitional health plans to be sold in Calendar Year (CY) 2023 to provide Iowans predictability and stability in their health care.

Both the Obama and the Trump administrations agreed in eight previous “Extension of Transitional Policy” bulletins that more than one million Americans should be able to access health insurance they began purchasing between March 23, 2010, and October 1, 2013.³ To maintain the promise of “if you like the plan you have, you can keep it,”⁴ the Obama administration issued guidance allowing state insurance regulators to permit transitional health plans to be sold to existing customers. The Trump administration continued this policy. Transitional health plans are required to protect from discrimination of an individual’s health status and pre-existing conditions.⁵ At the state level, the Iowa Insurance Commissioner has permitted transitional health plans to continue.⁶ CMS has not committed to maintaining this bipartisan policy for CY 2023 or further into the future.

¹ Iowa Insurance Division. “CMS allows extension of transitional policies through calendar year 2022.” Bulletin 21-02. March 8, 2021. https://iid.iowa.gov/documents/cms-allows-extension-of-transitional-policies-through-calendar-year-2022?utm_medium=email&utm_source=govdelivery.

² Centers for Medicare & Medicaid Services. “Regulations and Guidance.” Extension of Transitional Policy for CY 2022. Issued on January 19, 2021. <https://www.cms.gov/files/document/extension-limited-non-enforcement-policy-through-calendar-year-2022.pdf>.

³ *Id.*

⁴ President Barack Obama. “WEEKLY ADDRESS: President Obama Outlines Goals for Health Care Reform.” *The White House*. June 5, 2009. <https://obamawhitehouse.archives.gov/the-press-office/weekly-address-president-obama-outlines-goals-health-care-reform>.

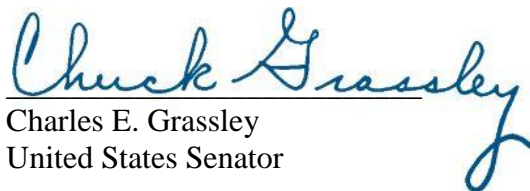
⁵ Centers for Medicare & Medicaid Services: Center for Consumer Information and Insurance Oversight. “Regulations and Guidance.” Extension of Transitional Policy for CY 2022. Issued on January 19, 2021. <https://www.cms.gov/files/document/extension-limited-non-enforcement-policy-through-calendar-year-2022.pdf>. Note: transitional health plans must comply with the Public Health Service Act Sections: 2701, 2702, 2703, 2704, 2705, 2706, 2707, and 2709.

⁶ Iowa Insurance Division. “CMS allows extension of transitional policies through calendar year 2022.” Bulletin 21-02. March 8, 2021. https://iid.iowa.gov/documents/cms-allows-extension-of-transitional-policies-through-calendar-year-2022?utm_medium=email&utm_source=govdelivery.

For example, some Iowa farmers and entrepreneurs purchase transitional health plans as members of the Iowa Farm Bureau.⁷ These transitional health plans have experienced low annual premium increases and offer consumer choice in lower deductibles at \$1,000 and \$1,500, out-of-pocket caps, and a nationwide network of providers through a preferred provider organization (PPO).⁸ They have also provided critical benefits such as preventative care services with no cost sharing, no annual or lifetime caps on benefits, and protection from discrimination of an individual's health status and pre-existing conditions.⁹ If Iowans with a transitional health plan purchase a health plan on the federal Health Insurance Marketplace, a majority (83%) of them will face premium increases.¹⁰ Of these individuals, 41% will see their premiums increase more than 50%.¹¹ They will also lose access to a PPO provider network.¹² This will mean a narrower network of providers. Also, a comparable federal Health Insurance Marketplace silver plan will have a \$5,155 deductible in CY 2022, which is three-to-five times what Iowans with a transitional health plan have today.¹³ If transitional health plans are discontinued past CY 2022, over 65,000 Iowans with high-quality and affordable health insurance will go without health insurance or face increased health care costs, diminished access to health care providers, and less consumer choice.

We support Iowans having access to a choice of high-quality and affordable health insurance that protects from discrimination of an individual's health status and pre-existing conditions. We urge you to take action quickly to maintain transitional health plans in CY 2023, so Iowans can have peace-of-mind.

Sincerely,


Charles E. Grassley
United States Senator


Joni K. Ernst
United States Senator

CC: Doug Ommen, Iowa Insurance Commissioner
Dr. Ellen Montz, Deputy Administrator & Director, Center for Consumer Information & Insurance Oversight, CMS

⁷ Iowa Farm Bureau.

⁸ Iowa Farm Bureau; Wellmark Blue Cross Blue Shield of Iowa.

⁹ *Id.*

¹⁰ Wellmark Blue Cross Blue Shield of Iowa.

¹¹ *Id.*; Statistic is for Iowans who purchase an individual market grandfathered health plan. For Iowans who purchase small group market grandfathered health plan, 60% will see their premiums increase if they purchase a federal Health Insurance Marketplace plan. Of these individuals, 25% will see their premiums increase 25% or more.

¹² *Id.*

¹³ Centers for Medicare & Medicaid Services. "Plan Year 2022 Qualified Health Plan Choice and Premiums in HealthCare.gov States: Cost Sharing and Plan Design." October 25, 2021.
<https://www.cms.gov/CCIIO/Resources/Data-Resources/Downloads/2022QHPPremiumsChoiceReport.pdf>.