Congress of the United States
Washington, DC 20515

May 19, 2016

Commissioner Mike Kreidler
Washington State Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504

Dear Commissioner:

We write to express our deep concerns regarding significant proposed changes to the Washington State health insurance market for the 2017 plan year.

As you know, Premera Blue Cross and LifeWise Health Plan of Washington, a subsidiary of Premera, recently announced a number of changes to their health plans in the individual marketplace. In addition to revising plan models and narrowing provider networks, Premera and LifeWise combined will completely withdraw from the Washington Health Benefit Exchange in 12 counties – Chelan, Douglas, Ferry, Kittitas, Lewis, Lincoln, Mason, Pend Oreille, San Juan, Skagit, Stevens, and Yakima. This withdrawal will impact approximately 17,000 individuals, and leave two Washington counties with just one exchange insurer for the next plan year.

This problem is unfortunately neither one unique to Washington State nor a surprise. Health plans across the nation are exiting the Affordable Care Act's individual marketplace. UnitedHealth Group announced last month it would pull out of 26 states – including Washington – and Humana also said it plans to reduce its market share in several states. Next year, a staggering 650 counties will have only one insurer offering coverage on the exchanges according to recent news reports. Further, 70 percent of those counties are predominantly rural areas – a major setback for those living in rural counties where barriers to access care already exist.

These cancelled plans are the result of a failing top-down, one-size fits all health care law that continues to stifle innovation and flexibility in marketplaces across the country. This government-knows-best policy is creating an environment that ties the hands of insurers who only want to provide reliable and affordable coverage that is especially critical to individuals and families with chronic or life-threatening diseases. We know the forces of choice and competition are the best way to lower costs and increase quality. With an alarming number of insurers leaving the marketplace, we can only assume premiums will continue their upward trajectory.

On Monday, May 16, 2016, your office announced insurers have proposed average increases of 13.5 percent for 2017. Coincidentally, Premera is seeking the biggest rate hike with proposed average increases of 20 percent. Last year, your office approved a 3.9 percent premium increase, nearly equal to the 4.2 percent insurers initially sought. A jump into the double digits – perhaps unavoidable considering the problems created by the current health care law – will hurt individuals, families, and small businesses across the state.

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These announcements are a major blow to families across Washington. We believe it is critically important to preserve and protect Washingtonians' option to choose the best health care plan to meet their needs, especially in rural communities. We hope you will consider the impact of these marketplace changes on our constituents' continued access to affordable health insurance plans.

Sincerely,

Cathy McMorris Rodgers
Member of Congress

Dave Reichert
Member of Congress

Jaime Herrera Beutler
Member of Congress

Dan Newhouse
Member of Congress