



October 31, 2019

James J. Donelon  
Commissioner of Insurance  
Louisiana Department of Insurance  
1702 N 3rd St #5143  
Baton Rouge, LA 70802  
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**Response to Act 412 Request for Information – American Heart Association, American Lung Association, Arthritis Foundation, Cystic Fibrosis Foundation, Hemophilia Federation of America, Leukemia & Lymphoma Society, National Hemophilia Foundation, National Multiple Sclerosis Society, National Organization for Rare Disorders, National Psoriasis Foundation**

Dear Commissioner Donelon:

Thank you for the opportunity to submit comments on the Request for Information from all Interested Parties Regarding Louisiana Guaranteed Benefits Pool.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what individuals need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting the health insurance marketplaces and the people they serve. We urge the Louisiana Department of Insurance (LDI) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that the health insurance marketplaces provide adequate, affordable and accessible healthcare coverage. For this reason, we strongly support the Affordable Care Act (ACA) and the greater access it provides through both state marketplaces and the Medicaid expansion. Additionally, we are grateful that Louisiana has taken advantage of the Medicaid expansion to extend insurance to all low-income residents and look forward to working with you to further strengthen your commercial market.

In response to questions 1 and 2, we write to express our position on reinsurance programs. Overall, the existence of a reinsurance program cannot by itself ensure meaningful, robust coverage to people with serious diagnoses and other preexisting conditions or health risks. Rather, reinsurance is one mechanism that, when adequately resourced by state and federal governments, can help support a health insurance marketplace and keep care affordable and accessible.

The patients we represent need access to meaningful health insurance coverage to obtain necessary care and treatment. Among other factors, our organizations consider “meaningful” health insurance coverage to be both affordable and stable.<sup>1</sup> Reinsurance programs in the seven states that have implemented them since passage of the ACA have shown early success in controlling or even reducing overall premium growth.<sup>2</sup>

Our organizations support an “invisible high-risk pool” reinsurance program similar to the Maine Guaranteed Access Reinsurance Association’s (MGARA) “Maine Model.” The “invisible” feature of the Maine Model ensures that beneficiaries do not receive disparate coverage based on their inclusion in the high-risk pool. Unlike traditional high-risk pools that operated before the ACA, in which beneficiaries could be charged substantially higher premiums and be saddled with high deductibles, beneficiary experience in an invisible risk pool is unaffected. In the states that have implemented reinsurance, as an invisible high-risk pool, beneficiaries retain the same health plan selection, choices of carrier, and rates as if they were not in the high-risk pool. Absent this protection, a model meant to lower beneficiaries’ health care costs could actually make it more difficult for patients with serious and life-threatening conditions to afford health insurance. An invisible high-risk pool design can be an essential tool for ensuring meaningful coverage for high-risk patients.

Importantly, MGARA also receives nearly half of its total funding from federal pass-through funding, which under the ACA returns the money that a state saves the federal government by cutting healthcare costs to that state, making the continuation of the ACA important to the success of this, or any, reinsurance model. Through this arrangement, insurers, the state, and the federal government are all somewhat insulated from the financial impact of high-cost patients.

Another benefit of reinsurance programs is increased marketplace competition. In Maine, new plan options with significantly reduced premiums were introduced into the marketplace following the implementation of their reinsurance pool. These premium reductions have saved individual Maine policyholders \$5000-7000 per year. Additionally, one major insurer who departed Maine’s health insurance exchange in 2018 resumed offering exchange products in 2019 because the reinsurance program became available.<sup>3</sup> Lower premiums and expanded coverage options should in turn bring younger and healthier individuals into the insurance market, making the overall healthcare marketplace younger, healthier, and more affordable.

In response to question 5, we want to also highlight the critical patient protections in the ACA. The ACA provides patient protections across multiple facets of the insurance market, to ensure

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<sup>1</sup> *Principles for Meaningful Coverage*, The Leukemia & Lymphoma Society, Retrieved from <http://www.lls.org/cancercost/Principles>

<sup>2</sup> Avalere, *State-run Reinsurance Programs Reduce ACA Premiums by 19.9% on Average*, March 2019, Retrieved from <https://avalere.com/press-releases/state-run-reinsurance-programs-reduce-aca-premiums-by-19-9-on-average>

<sup>3</sup> Norris, Louise, *Maine Health Insurance Marketplace: history and news of the state’s exchange*, Healthinsurance.org, Aug 30, 2019, Retrieved from: <https://www.healthinsurance.org/maine-state-health-insurance-exchange/>

access to the quality care that Louisianans depend on. Chief among these are the guaranteed ability to obtain and keep coverage, limits on the cost of premiums, caps on out-of-pocket costs, the elimination of annual and lifetime coverage limits, consumer assistance provisions that ensure value, and a robust set of covered services including the ten Essential Health Benefits.

Thank you for the opportunity to provide comments on Louisiana's proposed Guaranteed Benefits Pool. Questions or requests for further information about our position can be addressed to Sarah Balog, Regional Director of Government Affairs for The Leukemia & Lymphoma Society at either [sarah.balog@lls.org](mailto:sarah.balog@lls.org) or 678-852-6383.

Sincerely,

American Heart Association  
American Lung Association  
Arthritis Foundation  
Cystic Fibrosis Foundation  
Hemophilia Federation of America  
Leukemia & Lymphoma Society  
National Multiple Sclerosis Society  
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