



## POLICY & ACTION FROM CONSUMER REPORTS

U.S. Senate  
Washington, D.C. 20510

February 16, 2017

Dear Senator,

On behalf of Consumers Union, the policy and mobilization arm of the non-profit Consumer Reports, I write to urge Congress to focus on preserving the expanded coverage and consumer protections provided under the Affordable Care Act (ACA). A move to repeal the ACA without a comprehensive plan in place would threaten consumers and our nation's health system as a whole. As you consider replacement alternatives, we offer the enclosed set of evidence-based, consumer-centric principles that underscore the critical consumer protections that any reform of the ACA must include.

Consumers Union has a long history of working for a fairer and more just marketplace for consumers. We believe all Americans deserve health care and coverage that is accessible, affordable, understandable, fairly priced, and meets high, uniform standards for quality and safety. The Affordable Care Act made important strides towards this goal, allowing more than 20 million consumers to purchase private insurance through exchanges, access coverage through their parent's plans or benefit from the Medicaid expansion, thus lowering the uninsurance rate in our nation to its lowest point ever.

In addition to historic coverage gains, the ACA also includes a number of critical consumer protections that benefit *all* consumers, regardless of the source of their coverage. The law prevents insurers from discriminating against consumers with pre-existing conditions or charging them more for coverage, prohibits insurers from imposing annual or lifetime limits on coverage, and ensures coverage of a comprehensive package of essential health care services. It also takes steps to measure and improve the safety and quality of care for all.

Consumers are concerned about their health security. According to a recent, nationally representative Consumer Reports survey released January 19, 2017, more than half (55%) of Americans are either only slightly or not at all confident that they will have access to affordable health insurance. About one-third of Americans are insecure in their ability to access care, including about their ability to secure doctor visits, necessary tests, treatments and medications.

We are already seeing the perilous and destabilizing effects of a lack of certainty in the insurance marketplace. Repealing the Affordable Care Act without a suitable, simultaneous replacement that, at minimum, maintains coverage for the number of people currently covered and provides comparable consumer protections would be irresponsible and affect every American family.

Further, a piecemeal approach to replacement, or a repeal and delayed replacement approach, is inappropriate as it would result in millions of Americans losing vital health coverage and further destabilize insurance markets.

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In addition to provide coverage for at least the same number of people as the current law, a suitable and simultaneous replacement must provide the critical consumer protections outlined in our principles:

- Insurance coverage must be affordable and subsidies should be provided for based on family income (and not other factors);
- Cost-sharing must be affordable for lower- and middle-income families with no cost-sharing for those with the lowest incomes;
- Consumers must have access to a stable, comprehensive package of benefits;
- Health insurance marketplaces must be easy to navigate and rules must make it easier for consumers to compare different plans based on cost and quality;
- Annual limits and lifetime benefit caps must be prohibited.

Consumers Union will evaluate any new health reform proposals against these principles. Any proposal that falls short of the principles is inadequate from a consumer perspective.

We also believe that there is work that could and should be done to improve health care access, affordability and quality. We strongly urge Congress to protect coverage gains for consumers; further reduce the number of people without comprehensive coverage; work to lower premiums, out-of-pocket costs and deductibles to ensure coverage and care are affordable and work to address soaring prescription drug prices. Americans deserve no less.

Sincerely,



Laura MacCleery  
Vice President  
Consumer Policy and Mobilization  
Consumer Reports

### **Congress Should Take an Evidence-Based, Consumer-Centric Approach to Health Reforms**

Any approach to health reform by Congress or the Administration should continue to protect or enhance Americans' health and financial security. Revisions to protections now available under the Affordable Care Act must ensure that at least as many Americans will be enrolled in comprehensive, affordable health coverage as was true in January 2017. Projections of the number of Americans at risk of losing health coverage in the near term from the new reforms currently range from 18 to 22 million people. Any new initiatives should focus on what's needed most to help consumers: measures that lower healthcare prices, improve quality, and make it easier for consumers to navigate and understand coverage choices.

Consumers are concerned. According to a new nationally representative Consumer Reports survey released January 19, 2017, more than half (55%) of Americans are either slightly or not at all confident that they will have access to affordable health insurance. About one-third of Americans are insecure in their ability to access care, including their ability to secure doctor's visits, necessary tests, treatments and medications. Grounded in these findings, our core principles for evaluating whether replacement plans will adequately serve the interests of consumers are:

#### **1) Any Replacement Must Ensure Coverage for the Greatest Number of Americans**

- All consumers, including those with pre-existing conditions, must have access to affordable, comprehensive coverage.
- To make coverage affordable, families that need it must have access to free or very low-cost coverage or to premium subsidies adjusted for family size and income.
- The system must broadly pool risk so that premiums and other expenses reflect a mix of healthy and less healthy enrollees; to accomplish this, at a minimum, it must encourage enrollment while a person is healthy (rather than waiting until he or she is sick).
- Premium rating must only be based on age bands and geography, not medical condition or gender.

#### **2) Coverage Must Provide Meaningful Access to Care**

- Consumers must have access to a stable, comprehensive package of health benefits--including maternity services, prescription drugs and mental health services--that is at least as broad as that currently required under federal law.
- There must be no annual or lifetime caps on coverage.
- Benefit designs must avoid disproven high-deductible designs and instead provide low or no cost-sharing for care that improves outcomes for patients.
- Cost-sharing must be affordable for lower and middle-income families, with low or no cost-sharing for lowest-income families.
- Administrative expenses and profits must not divert premiums from paying for medical care.
- Strong, clear network adequacy standards must be established and the provider network breadth and quality must be made clear to consumers.

### **3) The Coverage and Healthcare Markets Must Be Easy To Navigate**

- It must be easy for consumers to compare insurance products based on cost and quality of coverage and care.
- Standardizing cost-sharing designs should be fostered to simplify consumer choices and make plans compete based on premiums, networks and value offered.
- Coverage options offered by the same carrier must have meaningful differences.
- Information about the quality of providers and price of treatment options must be clear and made public.
- The federal government should increase the availability of independent research that informs providers and patients about the treatment options that work best.
- Regulators should minimize the possibility of encountering a poor provider, ineffective treatment, or outrageous price so consumers can choose among treatment options and providers with confidence.
- Unbiased, in-person, telephonic and online assistance with enrollment and the process of choosing a plan must be free for consumers buying on their own.

### **4) Reforms Must Provide Federal Guarantee That No Consumer Is Left Out**

- Federal rules must ensure that coverage is non-discriminatory.
- Federal rules must include language access requirements for provider networks, consumer communications, and other key areas so that consumers can access care and receive written and in-person information in their preferred language.
- For states, any flexibility in coverage or delivery system approaches must be accompanied by strong federal safeguards to ensure consumers are better off than before, and a federal fall-back must be available.
- Federal rules must require a robust, transparent and public process for setting fair premiums in a state.
- State consumer protections must be allowed to go further than federal minimums.

### **5) Reforms Must Address the Underlying Reasons for High Costs**

- The federal government should fund and evaluate pilots on payment reform and other incentives aimed at improving healthcare quality and lowering spending for providers, drugs and devices.
- States seeking federal healthcare dollars must have robust monitoring and tracking systems that show health outcomes achieved per dollar spent, including spending measures, affordability, access to coverage, progress towards health equity, quality of care, and patient safety.
- States and the federal government must take responsibility to ensure efficient and effective use of resources spent on healthcare.
- Public health approaches aimed at prevention should be part of any reforms.

### **6) Improving Quality, and Reducing Infections and Medical Errors Must Continue**

- Ensure robust, audited, comprehensive public reporting of safety and quality--for both health plans and healthcare providers--to provide the data for pay-for-performance programs, inform consumers, and incentivize self-improvement within the health industry.
- Continue valuable pay-for-performance programs that hold the least safe hospitals and other healthcare providers accountable for harming patients through financial penalties when appropriate.