

COMMISSIONER OF SECURITIES & INSURANCE

MATTHEW M. ROSENDALE, SR.
COMMISSIONER



OFFICE OF THE
MONTANA STATE AUDITOR

Senator Jon Tester
311 Hart Senate Office Building
Washington, DC 20510-2604

Dear Senator Tester,

Thank you for writing me in regards to 2018 health insurance rate filings. I have made addressing the rising costs of health care a top priority of my office and I firmly believe Montana's leaders must take action to ensure access to affordable, quality health care.

Before I address the main substance of your letter, allow me to clarify the timeline for rate filings and the role my office plays in this process. In your letter, dated June 12, 2017, you referenced the "upcoming" filings for 2018. To be clear, the deadline for insurers to submit proposed rates to my office was June 8, 2017. We are now in the process of reviewing those rates; rates will be finalized in August.

Also, Montana law does not give me the authority to disapprove rates, but simply to "consider whether the proposed premium rate is excessive, inadequate, unjustified, or unfairly discriminatory" (MCA 33-22-157). Therefore, I do not have the statutory authority to "ensur[e] Montanans do not pay more than a reasonable rate for their health coverage," as you state in your letter.

To be frank, most Montanans would not consider their health insurance rates to be "reasonable" at all in the years since the Affordable Care Act was signed into law. I have heard from hundreds of Montanans who are paying thousands of dollars every year for their health insurance coverage, and thousands more for deductibles before their insurance provides any benefit. Since the passage of the ACA, health insurance rates have continually increased at a pace that is unsustainable for many Montana families. Rates from 2016 to 2017 alone increased by an average 27-58 percent.

Part of my commitment to being a strong advocate for consumers is ensuring that Montana's voice gets heard in Washington during the health care reform debate. In fact, you and I personally discussed the exact issues outlined in your letter outside your Washington, D.C., office six weeks ago, on May 4. As I told you then, cost-sharing reduction funding should be guaranteed for 2018 to stabilize our insurance market while Montana insurers build their rates for next year.

I was also happy to meet with your staff, other key members of Congress, and federal agencies to reiterate that point, as well as several other policy priorities, including expanding Health Savings Accounts, equalizing the tax treatment of insurance plans, and giving states

more flexibility to develop our own solutions to protect our most vulnerable citizens. To date, I have received no further communication from either you or your staff on those policy proposals.

With regard to our state's rate filing process, my office will ensure Montanans are equipped with fully transparent and honest information about the factors affecting their rates and have the opportunity to weigh in. Things are done a little differently here in Montana than they are in Washington, D.C. Unlike Obamacare, we don't pass bills no one has read in order to find out what's in them, and we build solutions from the ground up rather than mandating one-size-fits-all policies from the top down.

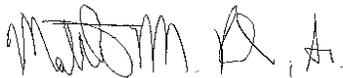
I believe we both agree that cost-sharing reductions are only part of the health care discussion. The American health care system faced many serious challenges long before the ACA was passed, and Obamacare was riddled with so many critical flaws that it has created a whole new set of severe consequences for Montanans. The willful obstruction of any real reforms, at both the federal and state levels, has only exacerbated these problems, and is unacceptable.

In the spirit of working together to ensure that Montanans have access to every available resource to keep health care costs affordable, I do have a few requests. Since Congress, an institution in which you serve, has so thoroughly made a mess of our health care system, I encourage you to stand up for bipartisan reforms at the state level. As you may know, your Democrat colleague, Montana's Governor Steve Bullock, vetoed six bipartisan bills this year which would have helped address some of the concerns you expressed in your letter. Most notable to your concerns was House Bill 652, which would have allowed my office to pursue a 1332 innovation waiver from the federal government to establish a reinsurance system in Montana. Had it not been vetoed, HB 652 would have helped alleviate much of the uncertainty that is affecting 2018 rates.

I also encourage you to release your specific ideas on how to either "fix" Obamacare's failures, or what should replace it if it is repealed, so that we can have a truly honest discussion about solutions. I am sure you agree that Montanans deserve specific policy proposals, not just platitudes. Doing nothing is not an option.

I am glad to see your interest in Montana's insurance rates and I look forward to having many more conversations on how to improve health care for all Montanans, as well as on many other topics. Please know that my office is available to assist your casework staff if you ever need help addressing a constituent's insurance problem. As the consumer advocate who oversees Montana's insurance and securities industries, I am always happy to stand up for Montanans who are suffering from corporate mistreatment, misguided policies from Washington, D.C., or obstruction to reform.

Sincerely,



Matt Rosendale