



April 30, 2019

Seema Verma
Administrator, Centers for Medicare and Medicaid Services
The U.S. Department of Health & Human Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W
Washington, D.C. 20201

Dear Administrator Verma,

Re: Protection and Affordable Care Act; Increasing Consumer Choice through the Sale of Individual Health Insurance Coverage Across State Lines Through Health Care Choice Compacts (CMS-9921-NC); submitted electronically via <http://www.regulations.gov>

Trinity Health appreciates the continued opportunity to provide comments and information regarding the ongoing implementation of health insurance exchanges from the perspective of a large health care system. In this letter, we offer reactions and recommendations related to the Centers for Medicare & Medicaid Services' (CMS) notice for comment on the sale of individual health insurance coverage across state lines.

Trinity Health is one of the largest multi-institutional Catholic health care delivery systems in the nation, serving diverse communities that include more than 30 million people across 22 states. We are building a People-Centered Health System to put the people we serve at the center of every behavior, action and decision. This brings to life our commitment to be a compassionate, transforming and healing presence in our communities. Trinity Health includes 94 hospitals as well as 109 continuing care locations that include PACE, senior living facilities, and home care and hospice services. Our continuing care programs provide nearly 2.5 million visits annually. Committed to those who are poor and underserved, Trinity Health returns \$1.1 billion to our communities annually in the form of charity care and other community benefit programs. We have 35 teaching hospitals with graduate medical education (GME) programs providing training for more than 2,000 residents and fellows in 184 specialty and subspecialty programs. We employ approximately 133,000 colleagues, including more than 7,800 employed physicians and clinicians, and have more than 15,000 physicians and advanced practice professionals committed to 18 Clinically Integrated Networks (CINs) that are accountable for approximately 1.5 million lives across the country through alternative payment models (APMs).

Trinity Health fully supports access to affordable health care coverage, is committed to the success of the exchanges, and has created programs and made resources available to help our patients and our communities understand and enroll in health coverage. We have worked with issuers in all of the markets we serve to ensure patients have access to affordable, high-quality health care providers through exchange plans. In addition, Trinity Health has collaborated with issuers and community organizations during open enrollment to promote the value of health insurance coverage offered through federal and state exchanges. We have trained and educated our registration and financial

services colleagues so that they can help consumers navigate their health insurance options. We applaud CMS' efforts to promote the availability of high-quality, affordable health insurance through these exchanges.

While the sale of health insurance across state lines is promoted by some as a solution that would increase consumer choice in health plans and provide more affordable options, Trinity Health believes that those benefits are overstated and are outweighed significantly by the administrative complexity of implementation and the potential destabilization of the individual market these sales would generate. We do not attempt to address each of the questions in the RFI directly—many of the questions presuppose that the sale of insurance coverage across state lines is a policy that would benefit consumers. Trinity Health does not believe that the sale of insurance coverage across state lines is a viable long-term strategy to reduce average market premiums or provide meaningful choice to consumers. Our position is based on the following general observations:

1. Issuers are unlikely to be able to construct provider networks that will support competitive premiums. Network development is expensive and issuers with no presence in a market into which they would like to expand will have little bargaining power with local providers. To the extent issuers are unable to obtain competitive reimbursement rates, their premiums will necessarily reflect these higher costs, if not in the first year of their offerings, certainly in future years.
2. Adverse selection of foreign plans is likely to destabilize current risk pools and result in increased premiums for domestic plans in states with additional coverage mandates. While avoiding the requirement to cover mandated benefits could reduce premiums, it does nothing to address the utilization of services and the associated costs. Those that require mandated services would still seek out policies that offered coverage for those services. Utilization and expenses associated with those mandated services would increase for issuers that covered them, and their premiums would be increased commensurately. In essence, the medical expenses and resulting premium impacts would simply be shifted from one issuer to another, further exacerbating the premium differentials in the market.
3. Most issuers looking at service area expansion are interested in the prospect of growing incremental membership. Given that access issues tend to be focused in rural areas within states, those counties are not likely to be a high priority for issuers looking to sell policies across state lines. It is more likely that they will gravitate to geographies that are more populated. In addition, developing an adequate network in rural counties presents a greater challenge than building a network in a geography with greater competition in the provider community.

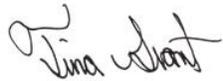
In addition to these operational challenges outlined above, there is little evidence that issuers are interested in pursuing sales across state lines. There are a number of states (GA, KY, ME, OK, RI, and WY) that have enacted legislation allowing out-of-state issuers to pursue sales within their states and to date, not one issuer has been documented as having pursued this option. To the extent issuers are not interested in pursuing sales across state lines, we believe that it makes little sense to promote this conceptually.

Conclusion

Trinity Health thanks CMS for engaging with stakeholders throughout this process. We believe that the health insurance exchanges represent an ongoing opportunity to reach uninsured consumers and provide comprehensive, high-quality coverage to a range of individuals. We support policies that will promote the future stability of the individual market and enable more than 11 million people to access affordable, comprehensive health insurance coverage.

If you have questions on our comments, please feel free to contact me at granttw@trinity-health.org or 734-343-1375.

Sincerely,

A handwritten signature in black ink that reads "Tina Grant". The signature is written in a cursive, flowing style.

Tina Weatherwax Grant, JD
Vice President, Public Policy and Advocacy