American Hospital Association™
Advancing Health in America

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January 8, 2024

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W., Room 445-G
Washington, DC 20201

RE: Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2025; Updating Section 1332 Waiver Public Notice Procedures; Medicaid; Consumer Operated and Oriented Plan (CO-OP) Program; and Basic Health Program (CMS-9895-P)

Dear Administrator Brooks-LaSure:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, including approximately 90 that offer health plans, and our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, we thank you for the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) proposed updates to the rules governing the health insurance marketplaces.

The AHA supports CMS' efforts to strengthen network adequacy standards, standardize and streamline marketplace operations, ease the enrollment process and improve access to certain health care services. Most importantly, the proposed policies would require state-based marketplaces to establish time and distance network adequacy standards for qualified health plans that are at least as stringent as those for the federally facilitated marketplace. While we are aware that there may be better approaches to measuring access to care, and we support the development of alternative metrics, we believe that as of today time and distance standards remain an important incentive for plans to contract with an adequate and comprehensive network of providers.

CMS also proposes small modifications to its standardized and non-standardized plan approach, including allowing greater access to plans that are specifically designed to facilitate the treatment of chronic and high-cost conditions. In addition, CMS proposes

several policies to increase access to services such as dental care and prescription drugs, as well as policies to expand and simplify opportunities to enroll in comprehensive coverage. Taken together, these proposals would continue to improve the value of the coverage available on the marketplaces and ease enrollment in such coverage. This is particularly important right now as states undertake the Medicaid eligibility renewal process and millions of individuals may require new forms of coverage. **We look forward to continuing to partner with you to ensure everyone is enrolled in some form of comprehensive coverage and to streamline transitions between different coverage options.**

In addition to improving access to health insurance coverage, the AHA is committed to ensuring that health insurance coverage is comprehensive, affordable and works well for consumers. **While outside of the scope of this regulation, we continue to urge CMS to address two critical issues: substandard coverage and unaffordable and confusing cost-sharing structures.**

Hospitals and health systems remain concerned about the proliferation of substandard coverage options, such as short-term, limited duration health plans and health sharing ministries. These "plans" provide inadequate access to care and can subject consumers to greater out-of-pocket spending when illness or injury occur. Hospitals and health systems report that patients enrolled in these products often find themselves without coverage for emergency services, cancer care and hospital stays, among other services. It is documented that the sponsors of these products often mislead individuals into purchasing these plans, which typically lack basic consumer protections and, as a result, subject consumers to high, unexpected out-of-pocket costs and uncertainty about their coverage. Recent reporting also highlighted how the lack of regulation of these plans allowed companies to take advantage of patients. For example, one company was found to regularly not pay medical bills intentionally so that their members end up in collections, ultimately ruining the members' financial health while enabling the company to settle claims for pennies on the dollar. **The AHA urges CMS to limit the availability of these plans, including by finalizing the short-term, limited-duration insurance rule, and help educate consumers about their drawbacks.**

Similarly, we must address out of control cost-sharing. We are concerned with both the amount and the complexity of patient cost-sharing. Increasingly we hear reports of commercial health insurers implementing confusing and convoluted policies such as midyear coverage changes and complex cost-sharing and network structures that leave patients unsure of whether providers are in-network or how much they may have to pay. This complexity can leave patients uncertain about what is covered and what they may owe, which can create barriers to seeking care. This is why the AHA supported the reintroduction of standardized qualified health plan options. We believe the standardize plan options finalized by CMS benefit consumers by making their coverage easier to understand and use, as well as better enable them to compare across plans, while still protecting plans' opportunity to innovate. However, there is more work to be done.

In particular, we urge CMS to consider health plan benefit reforms, beginning with high-deductible health plans. These types of products are often marketed — inaccurately — as more cost-effective options for lower income individuals and families. As a result, many people find themselves with health coverage that they cannot use or that subjects them to unexpected medical bills, creating undo financial and emotional stress. We appreciate that CMS released a lower premium adjustment percentage for the 2025 plan year than the 2024 plan year, leading to slightly lower out-of-pocket cost limits. However, these limits are still likely to leave many individuals vulnerable to financial hardship. We urge the agency to take additional steps to simplify cost-sharing structures and reduce the amounts owed out of pocket.

We commend CMS for taking additional steps to improve marketplace coverage and make it easily accessible for patients. Please contact me if you have questions, or feel free to have a member of your team contact Ariel Levin, AHA's director of coverage policy, at 202-626-2335 or alevin@aha.org.

Sincerely,

/s/

Stacey Hughes
Executive Vice President