



State of Rhode Island and Providence Plantations

State House
Providence, Rhode Island 02903-1196
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Gina M. Raimondo
Governor

January 6, 2017

The Honorable Kevin McCarthy
Majority Leader
United States House of Representatives
H-107, U.S. Capitol Building
Washington, D.C. 20515

Dear Leader McCarthy:

The Affordable Care Act (ACA) is working in Rhode Island. Since 2011, when Rhode Island began the work of ACA implementation, our uninsured population has dropped from nearly 12% to under 4.5%, one of the lowest rates in the country. Nearly 110,000 Rhode Islanders now have access to affordable, life-saving care through the Medicaid expansion or our state health insurance exchange.

By fully leveraging the flexibility and resources available to us under the ACA, Rhode Island has developed a more competitive environment for health insurance and positioned itself to make the health care system more efficient and affordable. We have been successful controlling Medicaid costs without reducing benefits or eligibility. Unlike some states which have seen dramatic premium growth on the exchange, we have actually seen exchange premiums *decrease* in two out of the last three years. In fact, some consumers are seeing a decrease of as much as 5% as they compare plans and enroll for 2017. Our aggressive rate review process, strengthened by ACA funding, has saved consumers nearly \$220 million since 2012.

Our progress towards full insurance has enabled Rhode Island to set its sights on a full-scale health system transformation that would not have been possible prior to the ACA. We have been working to modernize our payment and delivery systems by focusing on the value, not volume, of care and services delivered to Rhode Islanders. There remains a lot of work to do, and the ACA is not perfect. It is clear, however, that these reforms could not be successful without the framework provided by the ACA.

Although the ACA has been successful in Rhode Island, it is clear that it could be improved. I would be open to discussing modifications to the law. However, I would urge that you and your colleagues grant the utmost priority to the following principles as you consider any changes to the ACA:.

- Maintain the existing coverage gains states have realized under the ACA. We cannot allow the newly covered to lose access to care.

- Avoid transferring costs to states. Any such shifts would be unaffordable and unworkable for the states. Likewise, we must avoid increasing the burden of uncompensated care for our hospitals.
- Preserve the stability of the health insurance market. Any destabilizing changes to the financing structure or market structure could result in rate shock and insurer flight from the individual market.
- Continue to allow states the freedom to experiment and adopt reforms which are appropriate to their environment. In Rhode Island, the ACA model has proven successful, and we must be given the discretion to retain the pieces which work in Rhode Island.

Finally, I urge you to retain the critical public health investments included in the ACA. Federal support for public health and prevention infrastructure has been critical to improving the health of our most vulnerable populations and reducing rates of obesity, diabetes, heart disease, stroke, tobacco use, and other conditions. Dollars spent on prevention not only improve health, but they also help reduce utilization of more expensive forms of care.

Thank you for inviting me to provide you with feedback as you consider the value of the ACA and the progress that has been made over the past several years. I welcome the opportunity to discuss any of these matters further with you and your colleagues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gina M. Raimondo', written in a cursive style.

Gina M. Raimondo
Governor

cc: The Honorable Kevin Brady, Chairman, House Committee on Ways & Means
The Honorable Fred Upton, Chairman, House Committee on Energy & Commerce
The Honorable John Kline, House Committee on Education and the Workforce
The Honorable Greg Walden, Chair-Elect, House Committee on Energy & Commerce
The Honorable Virginia Foxx, House Committee on Education & the Workforce