

**Congress of the United States**  
Washington, DC 20510

October 24, 2017

President Donald Trump  
The White House  
1600 Pennsylvania Avenue N.W.  
Washington, D.C. 20500

Dear President Trump,

We are writing to inform you that your decision to end funding for the Affordable Care Act's cost-sharing reduction (CSR) payments means that tens of thousands of Massachusetts residents will experience an exorbitant 26% increase in health care premiums next year. While Governor Baker's letter (enclosed for your review) highlights "lack of affirmative congressional action" on CSRs as a factor leading to these premium increases, they are in fact due directly to your actions, including your efforts to undermine bipartisan congressional negotiations. Approximately 80,000 of our constituents will experience rate increases that are more than three times higher than had you continued these payments.<sup>1</sup>

CSR payments help reduce the cost of premiums, deductibles, and other out-of-pocket costs for low-income families. More than 190,000 individuals in Massachusetts receive federal and state subsidies to help them afford their health care. Across the country, nearly 6 million people benefit from these federal subsidy payments.<sup>2</sup>

Fortunately, when premiums skyrocket, some Massachusetts families will receive protection from these higher costs in the form of increased premium tax credits. As Governor Baker points out in his letter that "the failure to fund the CSRs will actually cost the federal government more" because your administration will spend *more* money in additional premium tax credits than if you had simply continued making the payments.<sup>3</sup>

However, many middle-income families in Massachusetts who receive coverage through the exchange are ineligible for premium tax credits and will have no protection from spikes in the cost of premiums that your actions have caused. Governor Baker's letter indicates that 80,000 individuals in Massachusetts "will face the full impact of these premium increases."

Your efforts to sabotage the Affordable Care Act have real consequences for families in Massachusetts and across the country. A majority of U.S. senators already support a bipartisan proposal to guarantee cost-sharing reduction payments for 2018 and 2019. It is time for you to

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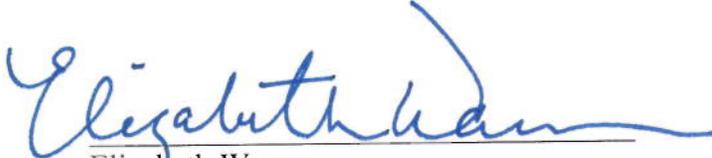
<sup>1</sup> 2018 rates in Massachusetts are higher than 2017 rates by an average of 18% above the expected 8% increase.

<sup>2</sup> Center for Medicare and Medicaid Services, "2017 Effectuated Enrollment Snapshot" (June 12, 2017) (online at: <https://downloads.cms.gov/files/effectuated-enrollment-snapshot-report-06-12-17.pdf>).

<sup>3</sup> Congressional Budget Office, "The Effects of Terminating Payments for Cost-Sharing Reductions" (August 15, 2017) (online at: <https://www.cbo.gov/publication/53009>).

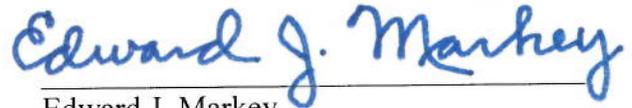
look beyond politics and support sensible, bipartisan efforts to reduce—not increase—health care costs for our constituents and for all Americans. Reversing your decision to cut off these vital CSR payments should be your first step.

Sincerely,



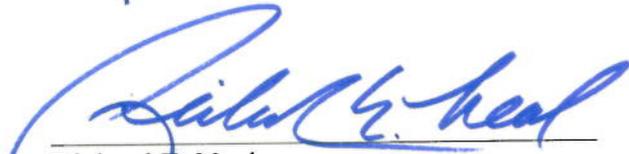
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Elizabeth Warren  
United States Senator



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Edward J. Markey  
United States Senator



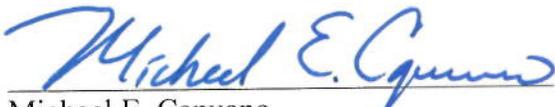
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Richard E. Neal  
Member of Congress



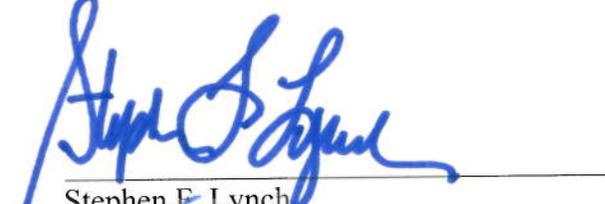
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James P. McGovern  
Member of Congress



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Michael E. Capuano  
Member of Congress



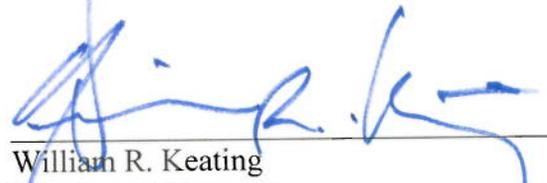
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Stephen F. Lynch  
Member of Congress



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Niki Tsongas  
Member of Congress



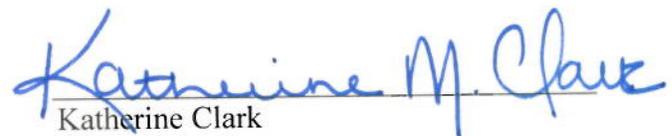
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William R. Keating  
Member of Congress



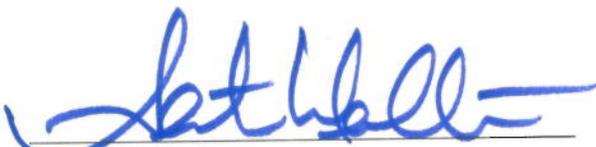
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Joseph P. Kennedy  
Member of Congress



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Katherine Clark  
Member of Congress



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Seth Moulton  
Member of Congress



OFFICE OF THE GOVERNOR  
**COMMONWEALTH OF MASSACHUSETTS**  
STATE HOUSE • BOSTON, MA 02133  
(617) 725-4000

**CHARLES D. BAKER**  
GOVERNOR

**KARYN E. POLITO**  
LIEUTENANT GOVERNOR

October 19, 2017

The Honorable Elizabeth Warren, US Senator  
The Honorable Ed Markey, US Senator  
The Honorable Mike Capuano, US Representative  
The Honorable Katherine Clark, US Representative  
The Honorable William Keating, US Representative  
The Honorable Joseph Kennedy III, US Representative

The Honorable Stephen Lynch, US Representative  
The Honorable Seth Moulton, US Representative  
The Honorable Richard Neal, US Representative  
The Honorable Jim McGovern, US Representative  
The Honorable Niki Tsongas, US Representative

United States Senate  
US Capitol  
Washington, DC 20510

United States House of Representatives  
US Capitol  
Washington, DC 20515

Dear Members of the Massachusetts Congressional Delegation,

I am writing to provide you with current information regarding our Massachusetts health care marketplace, known as the Connector, and insurance coverage rates for plan year 2018. The Connector had delayed implementing its rates in hopes of congressional action to stabilize the insurance markets by authorizing continued funding of the cost sharing reductions (CSRs).

Earlier this week, I was encouraged by the bipartisan efforts of Senators Alexander and Murray in crafting a bill that would stabilize the insurance market in order to provide low income residents with affordable health care coverage and to provide states with greater flexibility in providing health care. As you know, more than 257,000 individuals in Massachusetts receive health care coverage through the Connector, with 190,000 receiving federal and state subsidies.

However, the lack of affirmative congressional action requires the Connector to load into its system adjusted rates for open enrollment that take into account increased premiums to cover the loss of CSRs. Today, the Connector will be loading these adjusted 2018 premiums, which are higher than 2017 rates by an average 18 percent above the expected 8 percent increase, into its system.

Some members will be protected from these increases because they will receive offsetting premium tax credits. As you know, this means the failure to fund the CSRs will actually cost the federal government more because of the increase in spending on premium tax credit subsidies. However, up to 80,000 members are not eligible for premium tax credits and will face the full impact of these premium increases.

Additionally, the immediate cessation of CSRs creates an unfunded liability of approximately \$28 million for the remainder of the calendar year for carriers. In the near term, my administration is committed to taking whatever steps are necessary to protect the stability of the health insurance market for 2017. However, immediate, affirmative and bipartisan congressional action is needed in order for Massachusetts to be able to provide affordable coverage in 2018 and beyond.

I continue to urge you to work with your colleagues and with states to make health care reforms that will preserve and expand gains in coverage, while controlling costs for consumers. I look forward to continuing to work with you to protect health care coverage for the people of Massachusetts and improve the American health care system.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles Baker", with a stylized flourish at the end.

Charles D. Baker  
Governor