

Congress of the United States
Washington, DC 20510

April 18, 2018

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Verma:

Section 1332 of the Affordable Care Act (ACA) allows states to waive certain parts of the law to pursue innovative models of health coverage for their citizens. While states may waive certain parts of the law, states must follow four guardrails which are outlined in the statute. Specifically, section 1332 states that a waiver application will be granted only if:

- (1) a comparable number of the state's residents will be covered,
- (2) coverage is at least as affordable,
- (3) coverage is at least as comprehensive,
- (4) the plan will not increase the federal deficit as compared to existing law.

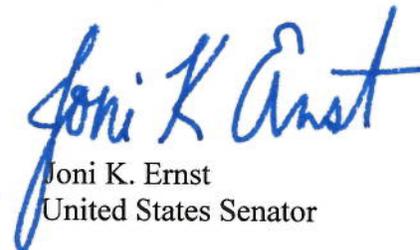
In 2015, the Centers for Medicare and Medicaid Services (CMS) issued guidance¹ that sought to provide clarification for states as they pursued 1332 waivers. In practice, however, this sub-regulatory guidance has hindered, not helped, states' efforts to design and implement innovative models of health coverage, as evidenced by the Iowa Stopgap Measure which was submitted and then withdrawn in 2017. Iowa decided to withdraw the 1332 waiver because of the inflexibility of this guidance. Unfortunately, without the necessary approval of the waiver request by CMS, Iowa's individual market has continued to collapse.

We urge you to immediately rescind this guidance so that states like Iowa can truly innovate and bring stability and affordability to their markets. It is our belief that CMS has the authority to rescind this guidance. However, should you feel that statutory change is necessary, please indicate what part of the law requires statutory intervention as well as the rationale you have for the need for such a change.

Please respond to our offices no later than May 2, 2018.

Sincerely,


Charles E. Grassley
United States Senator


Joni K. Ernst
United States Senator

¹ 80 CFR 78131



Steve King
Member of Congress



David Young
Member of Congress



Rod L. Blum
Member of Congress