

ROBERT P. CASEY, JR.
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SPECIAL COMMITTEE ON AGING
JOINT ECONOMIC

United States Senate

WASHINGTON, DC 20510

September 23, 2010

Karen Ignagni, President and CEO
America's Health Insurance Plans
601 Pennsylvania Avenue, NW
Suite 500
Washington, DC 20004

Dear Ms. Ignagni:

I am writing to express my vehement opposition to the recent decision by several of the nation's largest and most profitable insurers to stop issuing child-only health insurance policies beginning on or around October 1, 2010. I urge you to call upon these companies to honor the statements you and they made earlier this year that they would honor the intent of the law and in your words, "recognize the significant hardship a family faces when they are unable to find coverage for a child with a pre-existing condition."

Today, on the six month anniversary of health reform, new consumer protections come into effect, that among other things, guarantee that no child will be denied coverage because of a pre-existing condition. This is a huge victory for American families and children – and yet, the actions of several of your members demonstrate that they are placing profits ahead of people. The actions of these few – but significant – bad actors undermine the commitments made by other insurers who are acting in good faith to administer their plans based on the intent of the law.

The fact that these companies chose to wait until the last minute to announce their intent to not sell policies is disturbing – especially in light of their and your previous statements.

Immediately after the new health care law was passed in March 2010, you said that insurers would "fully comply with regulations" forthcoming from the Department of Health and Human Services (HHS) and other federal agencies in relation to children with pre-existing conditions in a letter to HHS Secretary Kathleen Sebelius. When regulations implementing this law were issued on June 22, your industry expressed concerns that without guidance allowing plans to enroll children during a specified open enrollment period, families would wait until a child was sick or needed medical assistance to buy coverage.

To address these concerns, HHS released further guidance clarifying that plans would not be violating the new rules if they allowed children to enroll in insurance only during a specified open enrollment period.

Those companies that have chosen not to sell policies are among the largest and most profitable insurers in the nation. Certainly, if any insurers have the resources to make good on their promises, it would be these insurers. But they are saying that cannot afford to offer these child-only policies.

Some are saying that the impact of these insurers' decisions will be limited. In fact, children across America will be adversely affected by this action. One of the companies that has chosen to stop selling child-only policies, Aetna, operates in Pennsylvania. In the Commonwealth, 178,000 children have a pre-existing condition and during 2009, 193,000 children did not have health insurance. These children's families are struggling to find affordable coverage. Meanwhile, Aetna's CEO had a compensation package that totaled more than \$18 million last year.

The types of American families who will be left without coverage based on the lack of availability of "child only" plans include: a parent who may not have the money to purchase coverage for himself or herself, but who would like to buy a policy for his or her child; grandparents who qualify for Medicare but cannot access coverage for the grandchild they are raising; and a veteran who has a child who cannot qualify for veterans' health programs, and thus will need a separate plan.

Americans are outraged about the way that some insurance companies have behaved over the past few decades, time and time again acting in the interests of profits over people. The new health care law is designed with the best interests of the public in mind, and so it is disturbing that those very health insurance companies that have the most resources are the ones evading the intent, if not the letter, of the law.

I ask that you honor the commitment you made earlier this year to ensure that these companies comply with the provisions in the health reform law that children with pre-existing conditions are not shut out from insurance coverage. I have written to Secretary Sebelius urging her to use the full force and extent of HHS's authority to enforce the law, and have asked that she keep members of Congress informed about any gaps in the law that may require future legislation.

It is in the best interests of our children and our economy that every child has health care coverage. The Affordable Care Act was a substantial step forward, especially with regard to providing coverage for children with pre-existing conditions. We should not allow a few insurance companies to turn back the clock on vulnerable children.

Sincerely,

A handwritten signature in blue ink that reads "Bob Casey, Jr." in a cursive style.

Robert P. Casey, Jr.
United States Senator