



SCOTT WALKER
GOVERNOR
STATE OF WISCONSIN

November 15, 2013

The Honorable Jacob Lew
U.S. Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Kathleen Sebelius
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Lew and Secretary Sebelius,

Given the ongoing issues Wisconsinites are facing in accessing the federal exchange, I am asking you to allow Wisconsin citizens to use their premium tax credits to purchase any qualified plan and not just plans on the exchange. According to the enrollment data released by the Department of Health and Human Services (HHS), only 877 Wisconsinites were able to enroll in health plans through the exchange. Meanwhile, the proposed fix is not expected to be complete until late November at the earliest. These timeframes place undue burden on Wisconsinites interested in enrolling by the December 15th deadline for January 1st effective dates.

We have repeatedly sent letters asking for flexibility, all of which have been denied. We warned you about the problems with your opaque and cumbersome regulatory approach, and now, Wisconsinites are paying the price through high premiums, limited choice, and a federal exchange website that does not work effectively. It is far past time to start fixing these problems. However, allowing Wisconsinites to use the subsidies for which they qualify with an insurer of their choice provides a very reasonable alternative to the federal exchange.

Wisconsin has one of the most competitive insurance markets in country. In our state, over 20 insurers are offering coverage in the individual market. Indeed, in looking at the Wisconsin map (http://oci.wi.gov/healthcare_ref/find_health_insurer.pdf), you can clearly see nearly every county provides individuals four or more insurers off-exchange from which they can choose qualified health plans. In addition, our off-exchange market allows consumers to choose from different kinds of insurers, including for-profit and non-profit, HMO and PPO, local and national, and other choices. I am asking you to allow all consumers access to that market.

Due to the bottlenecks and the ongoing technology problems, the current process is unworkable. Wisconsinites need actual solutions and access to available health plans. I am asking for the IRS to issue regulations allowing consumers to access a premium tax credit for any qualified health plan they choose to purchase – on or off the exchange. These tax credits are based on the second least costly silver plan in each county, and there is no reason the tax credit cannot be applied uniformly. This solution would ensure that Wisconsinites will not be forced to attempt to purchase coverage through a website, which is currently not functioning and hosts a limited selection of insurers.

It is important to note the same market rules apply both on- and off-exchange. Consumers purchasing plans off the exchange will be purchasing essentially the same policies, but be allowed to choose from a wider variety of insurers.

The Affordable Care Act is the law, and it is my responsibility to protect consumers within my state in compliance with the law. It is our mutual responsibility to ensure consumers are not harmed. In that spirit, I am asking you to provide Wisconsinites with this commonsense solution and flexibility.

I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to be 'S. Walker', with a stylized flourish at the end.

Scott Walker
Governor