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December 1, 2017

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, D.C. 20510

The Honorable Paul D. Ryan
Speaker
U.S. House of Representatives
Washington, D.C. 20515

Dear Majority Leader McConnell and Speaker Ryan:

As insurance rates for 2018 continue to increase, I write to encourage you to support legislation that would suspend the Affordable Care Act's Health Insurance Tax. As you know, the Health Insurance Tax is an annual fee imposed on health insurers that is passed on to consumers through higher premiums. Here in Wisconsin, the individual market faces an average increase of 36% next year and the small employer market an average increase of 5%.

Wisconsin is not alone; Iowa's only Marketplace insurer requested a 57% rate increase, Ohio is faced with an average 34% increase for individual plans sold on the federal exchange, Michigan stands to see an average increase of 27% in the individual market and 4% in the small group market, and Kentucky is seeing rate increases of 56% for CareSource and 41.2% for Anthem respectively. Nationally, the 2018 exchange market will see an average 34% increase in premiums for silver plans.

Congress recognized the harm of the Health Insurance Tax and subsequently voted to put a moratorium on it for 2017. However, because Congress has not passed legislation to further extend the moratorium, the Health Insurance Tax will be effective for 2018, costing Wisconsin consumers millions of dollars through higher taxes on their health insurance.

Wisconsin stands ready to work with Congress to suspend the Health Insurance Tax and help consumers keep their hard-earned money. We are confident that a suspension of this tax can be largely implemented and that premium reductions will be realized for 2018.

Sincerely,

Scott Walker
Governor