

April 11, 2025

Peter Nelson, Director
Center for Consumer Information and Insurance Oversight
Centers for Medicaid & Medicare Services
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Director Nelson:

As Governors, we write to urge you to withdraw the Marketplace Integrity and Affordability Proposed Rule (CMS-9884-P “Proposed Rule”), which will cause significant disruption to the administration of health insurance marketplaces in our states and make health care coverage less accessible to our residents. States intimately know our populations and local health care landscapes, and the Proposed Rule represents federal overreach that will cause significant disruption. Key impacts of the Proposed Rule include:

- **Restricting States’ Ability to Set Open Enrollment Periods:** Stripping states of their ability to determine open enrollment periods—which represents a source of longstanding consistency—will create confusion among consumers, leave many individuals and families without coverage, and negatively impact how risk is spread and costs are calculated.
- **Curbing States’ Ability to Determine Eligibility and Benefits:** Arbitrarily changing rules related to eligibility to eliminate healthy, young people from risk pools for plans already in the plan design phase and adding restrictions around what states can determine as an Essential Health Benefit (EHB) will only lead to more market destabilization and consumer confusion. The market has already balanced itself in the context of the current risk pool and any last-minute changes are likely to cause an increase in consumer costs through higher premium prices and greater rates of uninsurance and underinsurance.
- **Significantly Increasing the Consumer Cost Burden:** Changing premium adjustment calculations will significantly increase the cost burden on consumers who rely on the individual market, exacerbate affordability challenges, and contribute to overall price inflation, particularly when combined with the overall undermining of the risk pool and broader market uncertainty.
- **Eliminating Enrollment Options for Low-Income Families:** Eliminating options for special enrollment will increase the likelihood that large numbers of our residents will return to being uninsured and will leave hospitals and providers to foot the bill for their medical care.


States are best suited to design and administer their health insurance marketplaces and ensure carrier resiliency as well as robust consumer protections. They can best serve their distinct consumer bases, adapt to unique market conditions, and implement innovative policies. The Proposed Rule contains misguided attempts to stifle the ability of states to respond to local market nuances and will negatively impact both the resilience of the marketplace and the protection offered to consumers.

Further, states are committed to rooting out fraud, waste and abuse and have implemented effective systems to ensure program integrity. In proposing onerous requirements under the guise of “program integrity,” CMS fails to acknowledge that problems with program integrity are almost entirely limited to the federal marketplace. Forcing states to enact a litany of onerous new data verification and eligibility processes that do not have proven efficacy for addressing perceived program integrity concerns only adds red tape, disrupting processes, discouraging enrollment, stretching state resources, and causing confusion. We encourage you to tackle the issue of unauthorized broker enrollment directly in the federal government’s systems instead of adding restrictions and administrative burdens for states who are successfully establishing and running their own marketplaces.

Any rule changes for the 2026 plan year, which will be filed for approval in late spring, create a high risk of destabilizing state health insurance markets, particularly as Congress contemplates the expiration of enhanced Affordable Care Act (ACA) tax credits and cuts to Medicaid. The potential for immediate and near-term changes creates more uncertainty and operational burdens for regulators, states, and health insurance issuers while also fostering confusion among consumers.

We urge you to withdraw the harmful and destabilizing provisions of the Proposed Rule to avoid any disruption to the 2026 plan year and ensure states retain the flexibility required to establish effective health insurance marketplaces for providers and consumers.

Sincerely,



Governor JB Pritzker
State of Illinois



Governor Jared Polis
State of Colorado



Governor Michelle Lujan Grisham
State of New Mexico



Governor Tina Kotek
State of Oregon



Governor Wes Moore
State of Maryland