The Honorable Orrin G. Hatch  
Chairman  
Committee on Finance  
U.S. Senate  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Lamar Alexander  
Chairman  
U.S. Senate Committee on Health, Education, Labor, and Pensions  
428 Senate Dirksen Office Building  
Washington, DC 20510

The Honorable Kevin McCarthy  
U.S. House Majority Leader  
H-107, The U.S. Capitol  
Washington, DC 20515

Dear Congressional Leaders,

Iowa leaders have remained keenly focused on improving the health and well-being of Iowans and we are encouraged Iowa has been ranked as a top health care state by the Gallup-Healthways Well-Being Index and Annie E. Casey Foundation. Upon taking office in 2011, we announced the Iowa Healthiest State Initiative, a public-private partnership with the goal of making Iowa the healthiest state in the nation. The efforts have helped Iowa’s national health ranking improve at twice the national average and is transforming communities big and small. We want Iowans to live happier, healthier lives and our national and state policies should reflect that goal.

First, Congress and the new Administration must repeal Obamacare, because it is unaffordable, unworkable, and unsustainable. We must then replace it with health care reform that is affordable for Iowans, empowers the consumer to have high quality health care, and provides states the flexibility they need to afford and sustain their Medicaid programs. We appreciate the opportunity to work with federal officials to design an affordable, high quality, and sustainable health care system.

Iowans expect to access affordable health care fitting their individual needs. In 2017, Iowans purchasing an Obamacare health plan saw their premiums increase 43%. Early reports indicate some premiums in 2018 are expected to more than double. These steep increases burden individuals and families paying those premiums and hardworking taxpayers who subsidize the premiums. Prior to Obamacare, Iowans had among the lowest premium costs in the nation and access to health plans that fit their individual needs. This is no longer true. Health care reform must use market-driven strategies to give consumers affordable health care choices year after year. Although, Obamacare improved access in the short term it threatens access in the long-term due to its faulty design causing unaffordable costs for patients.

Obamacare has squeezed family budgets and undermined the sustainability of important plans and programs. Prior to Obamacare, 42,000 Iowans were satisfied with their Iowa Farm Bureau (IFB) health
insurance plan. However, Obamacare regulations deemed the IFB plan non-compliant. Fortunately, after significant advocacy, we were successful in our efforts to get the U.S. Department of Health and Human Services to allow the plan to continue as a “transitional plan.” In 2018, the IFB health plan will expire unless it comes into compliance with current Obamacare regulations or there is relief from the federal government. **Tens of thousands of Iowa farmers and small business owners on the IFB health plan depend on federal action to avoid premium cost increases more than doubling or be forced to the federal marketplace that has increasingly limited options.** Your help in this area would be appreciated.

Consumers must understand the true cost of health care and how we currently pay for it. Understanding the true cost of health care will empower patients to make healthy decisions. Using a market-driven system is the only way we can improve health care quality while saving money. Obamacare currently falls short in these vital areas, as consumers do not see the true cost of health care and are not empowered to make healthy decisions.

In Iowa, we have empowered some state employees to take ownership over their own health. State employees pay for a portion of their health care premiums. If they participate in a health risk assessment their monthly premium goes down. **This incentivizes knowing health risk factors and rewards healthy behaviors.** We have implemented similar policies in our Iowa Health and Wellness Program covering nearly 150,000 Iowans. However, the Obama Administration constructed barriers toward the implementation of these common sense principles. **You have a tremendous leadership opportunity to incentivize personal responsibility, improve consumer information, and reward healthy behaviors.**

Finally, states must be given true flexibility to administer their individualized Medicaid programs. If you pursue block grants to the states, you must grant true flexibilities and decision-making power and **not implement block grants in name only.** Medicaid waiver reform should be a central part of this discussion. In 2016, Iowa, like 39 other states, modernized our Medicaid program through managed care. Despite over 20 years of experience with Medicaid managed care in our behavioral health population, we faced unprecedented federal overreach and red tape in our transition from the Centers for Medicare & Medicaid Services (CMS). Our Medicaid program, with over $4.5 billion in expenditures annually, has doubled in cost in the last decade. However, in our recent managed care transition we were hamstrung by the federal government to utilize one of the very few tools they give states to improve health outcomes and control Medicaid costs. Federal barriers delayed our ability to improve care and wasted precious taxpayer dollars. Lastly, Federal leaders must recognize Iowa has a part-time legislature that meets for 110 days each year and our state fiscal year begins July 1. **We must follow a pragmatic timeline while empowering states to innovate and advance sustainable reforms.**

Health care reforms must be affordable for everyday Iowans, empower consumers to have high quality health care, and give states the flexibility to manage their Medicaid programs. We appreciate the opportunity to share perspective and fix the broken health care system Obamacare has created.

Sincerely,

Terry E. Branstad  
Governor of Iowa

Kim Reynolds  
Lt. Governor of Iowa

cc: Iowa Congressional Delegation