

Congress of the United States
Washington, DC 20515

August 31, 2020

Maurice Smith
President & Chief Executive Officer
Health Care Service Corporation
300 E. Randolph St.
Chicago, IL 60601

David S. Wichmann
Chief Executive Officer
UnitedHealth Group
9900 Bren Road East
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Michael Neidorff
Chairman, President, & Chief Executive Officer
Centene Corporation
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Bruce D. Broussard
President & Chief Executive Officer
Humana
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Larry J. Merlo
President & Chief Executive Officer
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Woonsocket, RI 02895

Joseph Zubretsky
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David Cordani
President & Chief Executive Officer
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Dear Mr. Smith, Mr. Wichmann, Mr. Neidorff, Mr. Broussard, Mr. Merlo, Mr. Zubretsky, and Mr. Cordani:

We are writing to urge you to immediately offer desperately needed financial relief to individuals, families, and small businesses throughout Illinois. While families have experienced significant losses in income during the COVID-19 public health emergency,¹ health insurance

¹ Kim Parker, Juliana Menasce Horowitz, and Anna Brown, *About Half of Lower-Income Americans Report Household Job or Wage Loss Due to COVID-19* (April 21, 2020).

companies are “experiencing an embarrassment of profits.”² Therefore, it is critically important that you use these profits – which have come from premiums Illinois residents have continued to pay while forgoing medical care during the pandemic – to (1) issue maximum premium credits to enrollees of your plans, (2) guarantee access to COVID-19 diagnostic testing and treatment with no forms of cost sharing, and (3) provide other forms of assistance to the fullest extent possible.

Publicly traded health insurance issuers have reported earnings for the second quarter (Q2) of 2020 that have greatly exceeded estimates and historical earnings. For example, UnitedHealth Group had Q2 earnings of \$7.12 per share, nearly double their earnings from one year ago (\$3.60 per share).³ Humana’s Q2 earnings were \$12.56 per share, more than double their earnings of \$6.05 per share in 2019.⁴ Although privately traded companies’ earnings are not reported, similar trends likely exist across all insurers.

At the same time that insurers are enjoying massive profits, your enrollees are experiencing serious financial pain. The national unemployment rate, which began the year at 3.6 percent, is now at 10.2 percent, the highest level since 1983.⁵ Census survey data found that through mid-July 2020, half of all U.S. adults lived in a household that had lost income since March 2020, and lower-income and minority households have been disproportionately affected.⁶ Surveys of small businesses from the National Academies of Sciences found that more than 40 percent of small businesses in the U.S. have been forced to temporarily close due to COVID-19 and three-quarters of firms only had enough cash on hand to last two months.⁷

In recognition of the glaring gap between your growing financial strength and your enrollees’ growing financial challenges, all of you have pledged to help. For example, in reporting Humana’s robust Q2 earnings, President and CEO Bruce D. Broussard affirmed, “As we continue to navigate the global coronavirus pandemic, Humana is committed to ongoing investments in benefits and initiatives designed to improve access to care and ease the financial

² Reed Abelson, *Major U.S. Health Insurers Report Big Profits, Benefiting From the Pandemic* (Aug. 5, 2020).

³ Zacks Equity Research, *UnitedHealth Group (UNH) Tops Q2 Earnings Estimates* (July 15, 2020).

⁴ Zacks Equity Research, *Humana (HUM) Tops Q2 Earnings and Revenue Estimates* (Aug. 5, 2020).

⁵ U.S. Bureau of Labor Statistics, *Civilian unemployment rate* (accessed Aug. 19, 2020).

⁶ Congressional Research Service, *COVID-19 Pandemic's Impact on Household Employment and Income* (July 29, 2020).

⁷ Alexander W. Bartik, *The impact of COVID-19 on small business outcomes and expectations* (July 28, 2020).

burden for our members, employer groups and providers. We remain focused on being responsive to our member and patient needs and providing convenient and safe choices of care.”⁸

Similarly, UnitedHealth Group CEO David S. Wichmann pledged that his company remains “committed to taking further actions to address any future imbalances as a result of the pandemic.”⁹ These examples are reflective of the broader pledge from the trade association representing America’s health insurance plans, American’s Health Insurance Plans (AHIP). AHIP’s President and CEO, Matt Eyles, has declared that plans are taking “decisive action through concrete, measurable steps to aid Americans and reduce their burdens during this time of need.”¹⁰

The first way that you could deliver on this promise to your enrollees in Illinois would be to issue premium credits that would provide direct and meaningful relief to individuals, families, and small businesses throughout our state. Such premium credits should be provided separately from and in addition to any forthcoming Medical Loss Ratio (MLR)-associated rebates, as required under the Affordable Care Act. Some plans across the country have started to offer direct financial assistance: for example, on August 5, Blue Cross Blue Shield of Massachusetts announced it would “return \$101 million in premium refunds and anticipated rebates to its customers and members as a result of lower than anticipated health care costs during the COVID-19 public health emergency.”¹¹

The decision from Blue Cross Blue Shield of Massachusetts to provide more than \$100 million to enrollees followed guidance from the Centers for Medicare & Medicaid Services (CMS) on August 4, which gives health insurance issuers in the individual and small group markets the temporary flexibility to offer premium credits for 2020 coverage. As the CMS guidance noted, this flexibility could be critically important for “individuals, families and small employers who may struggle to pay premiums because of illness or loss of incomes or revenue resulting from the COVID-19 public health emergency.”¹² You have both the regulatory authority and the savings needed to help your enrollees: it is imperative that you do so.

In addition to offering premium credits, we urge you to fully comply with COVID-19 testing provisions in the Families First Coronavirus Response Act, which requires individual and group

⁸ Humana Inc., *Humana Reports Second Quarter 2020 Financial Results; Continues Proactive Relief Efforts Amid Pandemic* (Aug. 5, 2020).

⁹ UnitedHealth Group, *UnitedHealth Group Continues Efforts to Combat COVID-19; Reports Second Quarter Performance* (July 15, 2020).

¹⁰ Matt Eyles, *Setting The Record Straight: Health Insurance Providers Are Committed To Investing In Americans’ Health During COVID-19 & Beyond* (Aug. 7, 2020).

¹¹ Blue Cross Blue Shield of Massachusetts, *Blue Cross Blue Shield of Massachusetts to Issue More Than \$100 Million in Premium Relief to Insured Customers and Members* (Aug. 5, 2020).

¹² Center for Medicare & Medicaid Services, *Temporary Policy on 2020 Premium Credits Associated with the COVID-19 Public Health Emergency* (Aug. 4, 2020).

market health plans to provide coverage of COVID-19 tests and related items and services without imposing any cost-sharing requirements, including deductibles, copayments, and coinsurance. The legislation also prohibits prior authorization or other medical management requirements for COVID-19 testing.

Ensuring that costs are not a barrier to getting tested for COVID-19 will be critical to efforts to contain the spread of the virus and to avoid returning to an earlier phase of the Restore Illinois plan. However, despite the federal statutory requirements in the Families First Coronavirus Response Act, there have already been reports of limits and qualifications being imposed on diagnostic testing.¹³ Any effort to restrict access to COVID-19 testing for enrollees on your plans is unlawful, unacceptable, and dangerous. We urge all your companies to cover all diagnostic testing for your enrollees in Illinois without cost barriers or other restrictions so that we can continue to safely reopen our state.

Furthermore, we urge you to maintain your commitment to cover COVID-19 treatments at no cost to your enrollees. On August 7, Mr. Eyles wrote, “No one should hesitate to get tested or treated for COVID-19 because of concerns about costs.”¹⁴ In normal times, your companies would be paying out claims for costly elective procedures, routine visits to health care providers’ offices, and other forms of health care utilization that have been delayed or cancelled because of COVID-19. Though you are saving billions from this public health crisis, your enrollees deferring this care continue to pay their premiums.

COVID-19 has exacted a heavy toll on communities throughout Illinois. More than 8,000 Illinoisans have lost their lives from this virus¹⁵ and the not-seasonally-adjusted unemployment rate in Illinois for July 2020 (11.3 percent) is more than 2.5 times higher than the rate in July 2019 (4.2 percent).¹⁶ In the midst of such deep suffering, we share in a common responsibility to meet the needs of our neighbors.

In Congress, we are committed to building on the legislation that we have already passed in response to COVID-19 to provide additional financial support to Illinoisans. Many of our state’s private sector leaders have stepped up as well, including programs to cover telehealth services without cost sharing, assistance for community-based organizations, and other efforts to support the physical, mental, and financial health of individuals, families, and small businesses during this public health emergency. We encourage you to now also step up and share the massive profits you are experiencing from reduced health care utilization during COVID-19 with your enrollees throughout our state.

¹³ Caitlin Owens, *Insurers limit which coronavirus tests they'll pay for* (June 10, 2020).

¹⁴ Matt Eyles, *Setting The Record Straight: Health Insurance Providers Are Committed To Investing In Americans’ Health During COVID-19 & Beyond* (Aug. 7, 2020).

¹⁵ Illinois Department of Public Health, *COVID-19 Statistics* (accessed Aug. 29, 2020).

¹⁶ Illinois Department of Employment Security, *Unemployment Rates Up, Jobs Down in All Fourteen Metro Areas in July* (accessed August 28, 2020).

We look forward to hearing from you as we collectively work to protect lives and livelihoods during this once-in-a-century crisis.

Sincerely,

Lauren Underwood
Member of Congress

Jan Schakowsky
Member of Congress

Richard J. Durbin
United States Senator

Danny K. Davis
Member of Congress

Jesús G. “Chuy” García
Member of Congress

Robin L. Kelly
Member of Congress

Cheri Bustos
Member of Congress