NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS

November 16, 2026

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Tom Cole
Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Rose DeLauro
Ranking Member
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Johnson, Leader Jeffries, Chairman Cole and Ranking Member DeLauro:

On behalf of the membership of the National Association of Insurance Commissioners (NAIC), we write to you on three important appropriations priorities for FY 2027. We urge you to maintain legislative prohibitions on executive actions that would introduce greater political interference in making appropriated funds available to grantees and we request funding for two important programs that make health insurance work better for consumers nationwide, one that assists seniors in navigating Medicare choices and another that protects access to behavioral health care.

The Office of Management and Budget (OMB) and other federal agencies proposed rule changes in May 2026 that could hinder access to federal grant funds. As you know, the proposed rule would require review of grants by political appointees before funds are released. This type of review would introduce considerable delay and uncertainty in the grant-making process. States and other prospective grantees would be vulnerable to unpredictable funding changes based on subjective and potentially ever-changing criteria. Delays during the proposed political review would likely place major burdens on grantees who rely on the timely receipt funds. In fact, late release of SHIP funds in 2026 already caused challenges for states in maintaining their programs. Congress has appropriately delayed implementation of the proposed OMB changes through at least December 11 of this year. We urge appropriators and Congress to indefinitely prevent this proposal and others like it from being applied.

States and state insurance regulators rely on Congressionally-appropriated federal grants to accomplish vital work for our shared constituents. Federal grants directly support a wide range of critical activity in our states, from health care and consumer assistance to disaster mitigation and efforts to strengthen the resilience of homes and communities. Federal grants fund providers of health care services, the State Health Insurance Assistance Programs (SHIPs) described below, and many other health-related functions. States rely on federal officials to make appropriated grants available through a clear and transparent process, and for it to be distributed in a timely manner.

Federal grants also support programs that help states reduce losses from floods, wildfires, and other natural disasters and protect consumers before disaster strikes. Federal mitigation programs provide states and communities with critical resources to reduce losses from floods, wildfires, and other natural disasters before they occur. For example, there are: FEMA Flood Mitigation Assistance, BRIC, Pre-Disaster Mitigation Congressional Directed Spending, and the Safeguarding Tomorrow Revolving Loan Fund as programs providing federal mitigation resources to states and communities. Flood Mitigation Assistance specifically funds state and local projects aimed at reducing future flood risk. It should also be noted that the Senate Budget staff have been trying to develop a wildfire resilience grant program through FEMA that would give states funding for home hardening, defensible space, and other wildfire mitigation investments. If approved, this funding should not be delayed by political considerations.

We also request your support for funding for SHIPs. As we have in past years, we ask Congress to assure that SHIP funding keeps pace with the needs of seniors nationwide in a complex marketplace for health plans. The primary goal of SHIPs is to advise, educate and empower individuals to navigate Medicare, Medicaid, Medigap, and long-term care insurance and to help beneficiaries make choices that best meet their needs from the vast array of available options. SHIP assisters are well trained and are able to address consumer questions and complaints quickly and effectively.

State insurance regulators have noted—and brought to the attention of Congress—concerning levels of misleading and improper marketing of Medicare Advantage plans. By contrast, SHIPs provide trusted, unbiased advice to seniors. With misleading marketing on the rise, SHIP services are all the more needed and valuable.

State insurance regulators recognize the valuable role that SHIPs have played in helping America's seniors, people with disabilities, and their families through consumer education. The NAIC thanks Appropriators and Congress for the past support that has allowed SHIPs to continue their important work and urge full funding for the remainder of FY 2027.

We additionally ask that Congress fund the federal mental health parity state enforcement grants which have yet to be appropriated. Congress authorized these grants to states for enforcement of federal mental health parity laws in 2023 in Section 1331 of the Consolidated Appropriations Act (CAA). This grant program should be fully funded at no less than $10 million for FY 2027.

Because of the way Congress structured the Mental Health Parity and Addiction Equity Act (MHPAEA), monitoring compliance requires more than just a comparison of benefits between mental health and substance use services and medical and surgical services. It requires a complex analysis of quantitative and nonquantitative treatment limits embedded in plans' policies, procedures, operations, and evidentiary standards. States have worked hard to develop their capacity to conduct reviews under this federal law, but more resources are needed. Grants authorized by the CAA would allow many states to enhance their enforcement and hold more plans accountable for the MHPAEA standards.

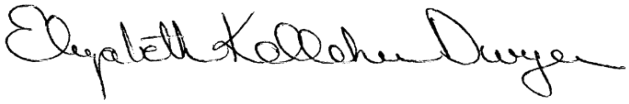
With record numbers of Americans seeking mental health services, the time is right to make sure health insurers are complying with these important consumer protections. Partnering with states through this grant program is a key complement to enhanced MHPAEA enforcement efforts at the federal level. The relatively modest federal investment will support state efforts and help ensure that consumers enrolled in state-regulated health insurance are protected by MHPAEA as Congress intended.

Thank you for your attention to these priorities. NAIC would be happy to provide additional information or clarification on our requests to your staff at any time.

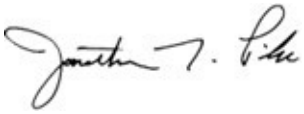
Sincerely,



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