

May 1, 2025

The Honorable John Thune
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Susan Collins
Chair
Committee on Appropriations
United States Senate
Washington, D.C. 20510

The Honorable Patty Murray
Vice Chair
Committee on Appropriations
United States Senate
Washington, D.C. 20510

Dear Leader Thune, Leader Schumer, Chair Collins and Vice Chair Murray:

On behalf of the membership of the National Association of Insurance Commissioners (NAIC), we write to you on two important appropriations priorities – both of which will make health insurance work better for consumers nationwide. One will aid seniors and the other will help individuals who use mental health or substance use services. We urge you to fully fund State Health Insurance Assistance Programs (SHIPs) and grants to states for enforcement of the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA).

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. The nation's 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 for the past support that has allowed SHIPs to continue their important work and urge full funding for FY2026.

State regulators are concerned about the much-publicized draft U.S. Department of Health and Human Services FY2026 budget which recommends eliminating dedicated discretionary funding for SHIPs and eliminating the Administration for Community Living (ACL), transferring SHIP oversight to the Centers for Medicare and Medicaid Services (CMS). While the draft notes that states could seek grant funds to keep services like SHIPs in place, this would likely result in a loss of reliable funding and the uniform training and standards that currently exist. 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.

We also 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 fiscal year 2026. Because of the way Congress structured the Mental Health Parity and Addition 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 and an ongoing epidemic of addiction, 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 staff would be happy to provide additional information or clarification on SHIPs and/or mental health parity enforcement upon request.

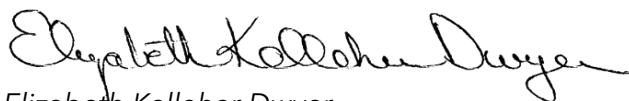
Sincerely,



Jon Godfread
NAIC President
Commissioner
North Dakota Insurance Department



Scott White
NAIC President-Elect
Commissioner
Virginia Bureau of Insurance



Elizabeth Kelleher Dwyer
NAIC Vice President
Director
Rhode Island Department of Business
Regulation



Jon Pike
NAIC Secretary-Treasurer
Commissioner
Utah Insurance Department