



OFFICE OF
INSURANCE COMMISSIONER

January 28, 2009

The Honorable Christine O. Gregoire
Governor of Washington
PO Box 40002
Olympia, Washington 98504-0002

The Honorable Karen Keiser, Chair
Senate Health & Long-Term Care Committee
PO Box 40466
Olympia, WA 98504-0466

The Honorable Eileen Cody, Chair
House Health Care & Wellness Committee
PO Box 40600
Olympia, WA 98504-0600

Dear Governor Gregoire, Senator Keiser and Representative Cody:

It is an exciting time to be a part of the change taking place in our country. With a new administration committed to universal health care, there is great hope and optimism around significant health care reform on the national level. I share that hope and optimism, but I also believe the issue is too important to simply "wait and see" what the federal government will do. With the economic crisis we face, with large employers in our state proposing to lay-off significant numbers of their workers, with unemployment rising and health care costs going through the roof, I believe now is the time for change on the state level as well. That is why I have approached legislative sponsors to re-introduce my Guaranteed Health Benefit Plan proposal.

As many of you know, my office hired Milliman last year to conduct an actuarial analysis of my proposal. They are almost finished with their final report, including the impacts it will have on consumers in the individual market, small and large employers, and self-insured employers. We will have actual case studies of large public and private employers in our state, and will be able to show the viability of two



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possible funding mechanisms. Along with this analysis will be the methodology and assumptions that Milliman has used to produce this information.

When I first introduced this concept last session, I made it clear I wanted a plan that not only sounded good, but actually worked. Milliman's analysis and the extensive stakeholder outreach I have conducted during the past year suggest that the plan is a profound, pragmatic and viable solution to some of the challenges in our health care system.

Enclosed with this letter is a summary narrative of the Guaranteed Health Benefit Plan written by Tim Barclay and Jason Hart of Milliman. Also enclosed is a business plan developed by Jim Keogh, our economic analyst, and a brief synopsis of some of the stakeholder outreach my staff and I have done over the past 16 months.

Once the Milliman report is completed, I would welcome an opportunity to share those findings with you in February or early March.

Sincerely,



Mike Kreidler
Insurance Commissioner

Enclosures

cc: Members, Senate Health & Long-Term Care Committee
Members, House Health Care & Wellness Committee