



FROM |  coordinated care.
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4/3/2026

Rules Coordinator
Washington State Office of the Insurance Commissioner
P.O. Box 40255
Olympia, Washington 98504-0255
Submitted via email to: rulescoordinator@oic.wa.gov

RE: Comments on Proposed Rule (CR-102) for Health Carrier Rate Development Components (R 2025-02)

Dear Rules Coordinator,

Coordinated Care Corporation (“CCC”) appreciates the opportunity to provide comments to the Office of the Insurance Commissioner (“OIC”) on the Proposed Rule (CR-102) for Health Carrier Rate Development Components (R 2025-02).

Uniform CSR Silver Load Methodology:

The proposed CSR Silver load is materially higher than what carriers would otherwise develop based on their own experience and projections. Carriers estimate CSR costs by evaluating the incremental liability associated with Silver CSR plan variants relative to the base plan and load that onto Silver plans. When a uniform load is set at a materially higher level than carriers’ estimates of CSR liabilities, the metal relativities are distorted such that Silver plans are priced significantly above both Bronze and Gold plans. This could result in adverse selection, upsetting the balance between premiums and risk transfers, and driving issuers to consider alternate strategic decisions to achieve stable margins long-term.

Restrictions on Actuarial Value Pricing:

While we recognize the regulation allows some flexibility to vary actuarial pricing values from the results of the Federal AV calculator (AVC), we believe anchoring pricing relativities to the AVC is fundamentally flawed. The Federal AV Calculator was not developed to be a pricing tool. Both Actuarial Standards of Practice (“ASOP”) #50 and the Final 2026 Actuarial Value Calculator Methodology explicitly state the AVC output is not intended to be used for pricing:

ASOP #50: The AVC and MVC are not intended to be used as pricing tools. As a result, two plan designs with the same Federal AV/MV may not have the same premium for the reasons stated above. The intent of the AV and MV calculation process is to apply a standardized population and cost structure.

AVC Methodology: The AV Calculator is intended to establish a comparison tool and wasn’t developed for pricing purposes.

This guidance suggests that using AVC output for pricing may produce inappropriate and actuarially unsound results. Our internal sensitivity testing exercises have shown that differences in benefit design do not impact our modeled AVs in the same manner as the Federal AV calculator results.

The underlying continuance tables of the AVC are developed at a metal level. Pricing based on this model does not appear to comply with URR instructions, regarding AV and Cost Sharing: "This factor should not include adjustments that take into account the morbidity of the population expected to enroll in the plan."

Standardized Induced Demand Factors:

Induced Utilization (IU) factors are meant to reflect differences in consumer utilization patterns, resulting from differences in a plan's benefit richness (actuarial value). We believe the proposed IU restrictions do not allow for an appropriate degree of variation, as they are not related to actuarial values developed by a pricing tool. Our standard process to estimate IU uses a regression model to determine the relationship between plan member cost share and expected allowed cost PMPM while holding morbidity and area differences constant. We believe this more appropriately captures induced utilization.

Thank you for consideration of our comments. Please let me know if you have any questions. You may reach me at WACompliance@centene.com.

Respectfully,

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