



Office of the Insurance Commissioner
5000 Capitol Blvd., SE
Tumwater, WA 98501

April 3, 2026

Dear Commissioner Kuderer and Office of the Insurance Commissioner (OIC) Staff,

On behalf of Wellpoint Washington, we appreciate the opportunity to comment on proposed rule R 2025-02 regarding health carrier rate development components. We support the OIC's goals of promoting affordability and maintaining a stable individual market.

As outlined below, we recommend that the OIC eliminate WAC 284-43-6810 Section 3, which requires carriers to maintain actuarial value (AV) pricing within $\pm 2\%$ of the designated metal level AV (up to $\pm 3\%$ with justified adjustments for certain features).

Distortion of Actuarial Rate Relativities

We believe WAC 284-43-6810 Section 3 constrains pricing relativities between metal levels in a manner that could force Bronze plan premiums below actuarially adequate levels. In practice, these constraints limit carriers' ability to align premiums with expected claims costs. As a result, Bronze plan premiums may be insufficient to cover underlying costs, undermining the statutory requirements that premium rates be adequate, reasonable, and not excessive.

Interaction with 2027 Cascade Care Savings (CCS) Program

We have concerns regarding the interplay of CSR and the 2027 Cascade Care Savings (CCS) framework. Under the CCS program, eligibility for state premium assistance is conditioned on issuer-level decisions, including offering Bronze Cascade Care plans across a carrier's service area. While the CCS policy does not directly mandate Bronze offerings, it creates strong market incentives that effectively pressure carriers to maintain Bronze participation broadly to remain competitive for subsidized enrollment.

This interaction increases actuarial and operational risk exposure, particularly in rural or low-enrollment markets where Bronze plans tend to exhibit greater volatility due to high deductibles and less predictable utilization. Expanding participation under these conditions may require carriers to assume disproportionate risk in markets that are operationally challenging or financially unstable.

At the same time, when combined with the CSR loading requirements, the CCS structure creates a distorted premium relationship between Silver and Bronze plans. CSR costs are loaded onto Silver premiums, since CSR plans are only available at the Silver level, while Bronze premiums remain comparatively lower, widening the premium differential between metal tiers beyond what would be expected based on actuarial value alone.

To satisfy statutory standards requiring premiums to be reasonable, not excessive, and actuarially justified, carriers must incorporate CSR costs into rates. In practice, most state regulators have required carriers to reflect these costs in Silver plans. This approach can result in Bronze premiums that may not be actuarially sustainable over time. WAC 284-43-6810 Section 3 limits carriers' ability to correct these distortions, reinforcing a misalignment between premiums and underlying costs. These combined dynamics may ultimately place



upward pressure on premiums across metal levels, including Silver and Gold plans that serve as key affordability benchmarks.

We appreciate the Office's consideration of these comments and welcome continued engagement.

Thank you for your consideration,

Wellpoint Washington