



OFFICE OF
INSURANCE COMMISSIONER

July 11, 2018

Seema Verma, Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services

Re: July 7 CMS announcement of suspension of further collections or payments under the risk adjustment program

Dear Ms. Verma:

On behalf of Washington state, please accept this letter in response to the July 7 action by CMS to suspend further collections or payments under the risk adjustment program, including amounts for the 2017 benefit year, pending the resolution of current ongoing litigation. The Office of Insurance Commissioner is vested with primary statutory and regulatory authority for the regulation of private health insurance in Washington state. As Washington's Insurance Commissioner, and a statewide elected official, I offer these comments.

The policy decisions made by this administration to undermine the Affordable Care Act have seriously impacted the individual health insurance market in Washington state, and across the nation. This suspension has the potential to have a similar negative effect on market participation, premiums, and ultimately, consumers in need of health care. The timing of the suspension is particularly harmful as insurers have already filed proposed rates for 2019. The negative impact will be exacerbated should the period of suspension continue indefinitely.

270,000 Washingtonians who purchase insurance in the individual market are the ultimate losers. They will bear the brunt of this action and others, as they face higher premiums and fewer choices. It is those consumers I seek to protect by urging you to resolve this suspension as quickly as possible.

In light of the five-month delay between the court's decision and HHS's action, I cannot accept HHS's claim that suspension of the entire risk adjustment program, pending a potentially lengthy resolution of a court appeal is the only option available to CMS to address the court's decision. I urge you to consider providing guidance and resolution on this issue through an interim final rule. In the absence of CMS guidance, individual states must independently determine appropriate instructions, giving rise to potential inconsistency in substance and timing of decisions. This is particularly challenging for multi-state insurers.

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I would ask that you consider my comments and request. If I can offer additional information or be of further service in resolving the suspension, please feel free to contact me.

Sincerely,



Mike Kreidler
Insurance Commissioner