



Tony Evers, Governor of Wisconsin  
Mark Afable, Commissioner of Insurance

The Honorable Janet Yellen  
Secretary of the Treasury  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

The Honorable Xavier Becerra  
Secretary of Health and Human Services  
Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

June 1, 2021

Dear Secretary Yellen and Secretary Becerra,

The State of Wisconsin is pleased to submit this Letter of Intent to apply for a five-year extension of our Section 1332 State Innovation Waiver. On July 29, 2018, the Department of Health and Human Services and Department of Treasury approved Wisconsin's waiver from the Patient Protection and Affordable Care Act requirement for a single risk pool to implement a state-based reinsurance program. The current waiver expires on December 31, 2023. This extension request is for a five-year period beginning January 1, 2024 and ending December 31, 2028. In accordance with s. 601.83 (a), Wis. Stat., the Office of the Commissioner of Insurance (OCI) requests the extension without substantive change.

With approval of the state's original 1332 waiver application and enactment of bipartisan enabling legislation, OCI operationalized the Wisconsin Healthcare Stability Plan (WIHSP), the state-based reinsurance program, beginning January 1, 2019. Since its inception, WIHSP has been a key factor in stabilizing the individual health insurance market, resulting in average rate reductions each year of the program. The table below includes rate increases the market would have incurred without WIHSP, alongside the corresponding rate decreases experienced with the program in place.

Year	Average Rate Change w/out WIHSP <sup>1</sup>	Average Rate Change with WIHSP <sup>2</sup>
2019	6.8%	-4.2%
2020	9%	-3.2%
2021	10%	-3.4%

In addition to rate stability, insurers have re-entered the market and expanded service areas. This has created additional competition and consumer choice across the state. There are currently fifteen insurers

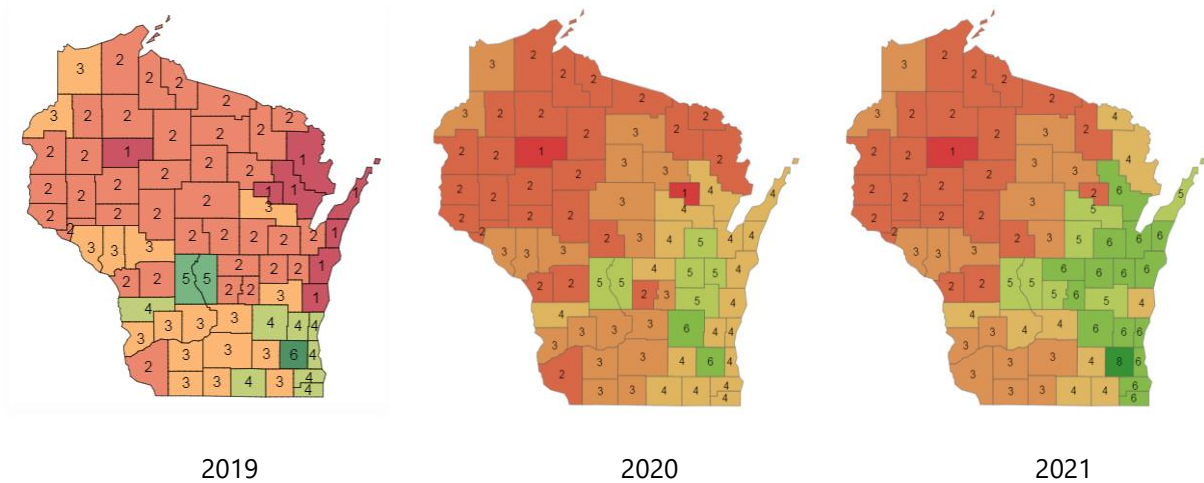
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<sup>1&2</sup> Rate changes are calculated using a weighted average across individual market insurers and reflect the change (or expected change) in rates from the prior year.



participating in the individual market, with fourteen of those offering coverage on the Federally Facilitated Marketplace (FFM).

Maps reflecting plan years 2019, 2020, and 2021 are displayed below to demonstrate the increase in the number of insurer options across counties since WIHSP was implemented.



OCI continues to successfully implement WIHSP within its operating budget; supporting current staff and an actuarial consultant to manage insurer claim reporting, payments to insurers, audits, pass through reports, payment parameter setting, and annual reports. Direct OCI support of WIHSP operations allows all federal pass-through dollars, along with state general purpose revenue, to directly fund WIHSP claims and positively impact the market.

The goal of WIHSP into future years is to continue to hold down rates while ensuring consumers have as much choice in health insurance options as possible.

Thank you in advance for considering OCI's request to extend the 1332 State Innovation Waiver. We look forward to engaging with you further on additional application information necessary to move this request forward.

Sincerely,

Mark Afable  
Commissioner of Insurance