



The Honorable Scott Bessent, Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

The Honorable Robert F. Kennedy, Jr., Secretary
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, D.C. 20201

Kenneth J. Kies, Assistant Secretary
Tax Policy
U.S. Department of Treasury

Peter Nelson, Deputy Administrator and Director
Center for Consumer Information and Insurance
Oversight
Centers for Medicare and Medicaid Services

June 16, 2026

Dear Secretary Bessent and Secretary Kennedy,

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. On December 1, 2022, Wisconsin’s request to extend our original 1332 waiver was approved. The current waiver expires on December 31, 2028. This extension request is for a five-year period beginning January 1, 2029 and ending December 31, 2033. In accordance with s. 601.83 (a), Wis. Stat., OCI requests the extension without substantial changes.

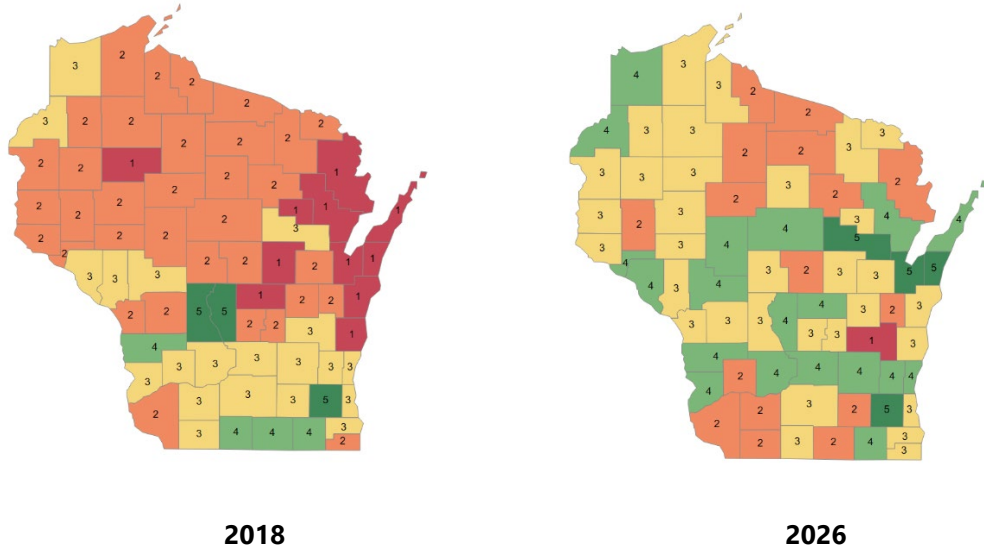
After bipartisan support helped ensure passage of the enabling legislation, OCI operationalized the Wisconsin Healthcare Stability Plan (WIHSP), the state-based reinsurance program, beginning January 1, 2019. Since its inception, WIHSP has been a key factor in stabilizing the individual health insurance market, resulting in rate reductions each year of the program. The table below includes rate increases the market would have incurred without WIHSP, alongside the corresponding rate changes experienced with the program in place.

Year	Average Rate Change w/out WIHSP ¹	Average Rate Change with WIHSP ²
2019	6.8%	-4.2%
2020	9%	-3.2%
2021	10%	-3.4%
2022	14.8%	-.3%
2023	21.4%	7.6%
2024	18.2%	6.1%
2025	19.5%	8.2%

^{1&2} 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.

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 14 insurers participating in the individual market, with 12 of those offering coverage on the Federally Facilitated Marketplace (FFM).

Maps reflecting the year before our original waiver was approved (2018) and the current year (2026) are displayed below to demonstrate the increase in insurer options across counties since WIHSP was implemented. In 2018, 11 counties had just one carrier and currently, all counties but one have multiple carriers offering plans.



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.

Our ongoing goal of WIHSP 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,

Nathan Houdek
Commissioner