

COMMONWEALTH OF VIRGINIA

SCOTT A. WHITE
COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE



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October 12, 2021

TO: Document Control Center

FROM: Jacky Small, Bureau of Insurance

CASE NAME: In the matter of Implementation of the Commonwealth Health Reinsurance Program

CASE NUMBER: INS-2021-00110

Attached are comments submitted to the Commission for consideration.

cc: Commissioner Scott A. White
Deputy Commissioner Julie Blauvelt
Insurance Policy Advisory, Bradley Marsh
Attorney, Scottie Fralin
Senior Counsel, Bonnie Salzman

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October 12, 2021

Scott A. White
Commissioner
Virginia Bureau of Insurance

Electronic Submission Re: Case No. INS-2021-00110, Reinsurance Waiver Application

Dear Commissioner White:

AARP Virginia writes to express our support for Virginia's ACA Section 1332 State Innovation Waiver Application to establish the Commonwealth Health Reinsurance Program. AARP supported House Bill 2332 which requires the State Corporation Commission to submit this application for federal approval to establish a reinsurance program beginning January 1, 2023. This 1332 waiver will permit Virginia to operate a new reinsurance program which will help drive down health care premiums and expand access to more affordable, quality health insurance coverage throughout the state.

AARP supports the establishment of Affordable Care Act (ACA) Reinsurance Programs such as the one Virginia plans to launch. Over the last decade, reinsurance programs established in states across the country have driven down insurance premiums and out of-pocket costs for millions of Americans. A report from Georgetown University¹ found that the reinsurance programs in Alaska, Minnesota and Oregon helped stabilize premiums, increase enrollment and maintain insurer participation in the individual market.

Another analysis² from the health care consulting firm Avalere found that states implementing reinsurance programs see an average 19.9 percent drop in individual market premiums within the first year. Older adults in these markets already pay premiums that are up to three times as high as the premiums younger adults pay for the same coverage, so reducing premiums by even a small percentage can make a significant difference for older adults.

We thank you for the opportunity to share our support for Virginia's 1332 waiver application and we look forward to continuing to work together in order to ensure affordable, quality health insurance coverage for all Virginians.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Dau". The signature is fluid and cursive, with the first name "Jim" and last name "Dau" clearly distinguishable.

Jim Dau
State Director

21102003

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¹ <http://chirblog.org/new-georgetown-report-assessing-effectiveness-state-based-reinsurance/>

² <https://avalere.com/press-releases/state-run-reinsurance-programs-reduce-aca-premiums-by-19-9-on-average>