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Julie S. Blauvelt

Deputy Commissioner
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Virginia State Corporation Commission
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Deputy Commissioner Blauvelt,

Thank you for the opportunity to comment on the possible suspension of the Virginia's Commonwealth Health Reinsurance Program (CHRP) for health plan year 2024.

The Virginia Association of Health Plans represents virtually all of the carriers who currently offer coverage on the federal exchange and the soon to be launched Virginia Health Benefit Exchange. VAHP and its members are strong supporters of the CHRP and are dismayed to hear discussion of the possibility that the reinsurance program may be suspended due to a lack of clarifying language supplied by the Virginia General Assembly—either through the (as of yet uncompleted) state budget (and accompanying language) or directly from legislators leading the money committees.

VAHP's members believe that the story of CHRP's performance thus far in 2023 demonstrates **the clear public interest served by the program in 2023 and its nearly certain benefits for individual market customers in 2024**. The twenty percent discount in individual health insurance rates in Virginia that was made possible by the creation of the CHRP has led to increased enrollment by nearly 40,000 just as the creation of the CHRP was expected to do. These impressive results are being accomplished while limiting the projected Commonwealth's share of the CHRP to approximately 20% of the cost with the remaining portion paid by the federal government. We would also suggest **that the number of offerings and competing carriers in the individual health insurance market and on the federal (soon to be state) exchange have stabilized and grown in recent years... partially incentivized by the CHRP. In short, a healthy competitive market benefits the Commonwealth and its consumers.**

We cannot understand **how the public interest would be served through a suspension of the program** due to a lack of a state budget or clarifying language from money committee leaders. The continuation of the program enhances access to affordable individual health insurance for more than 350,000 Virginians. Suspending the CHRP will lead directly to 1) at least a 20 percent increase in premiums, 2) a direct impact on the initial launch and ultimate success of the Virginia Health Benefit Exchange 3) a reduction in the size of the Virginia Individual Health Insurance pool ...further undermining health insurance premiums and 4) an increase in the number of uninsured in the Commonwealth. The new health benefit exchange would be at risk of losing the increased enrollment of nearly 40,000 Virginians from 2022 to 2023.

This is not a money issue in the state budget. It is important to recognize that the General Assembly authorized and funded the CHRP to begin in 2023 and continue in future years without any guarantee of its full cost because those costs don't occur until after the full plan year ends and an additionally six months for the collection and analysis of data. At its core, the CHRP is a program that cannot truly be budgeted for in advance because by its nature the true costs of the program to the Commonwealth are not realized until after the budget year ends. If the General Assembly wanted to reauthorize the CHRP each year, the legislation would have required it.

If the cause of the possible suspension of the CHRP is due to the Virginia General Assembly's inability to complete a budget and offer budget language, **we would respectfully request the Virginia State Corporation Commission continue the CHRP's twenty percent reinsurance market reduction target for 2024** since there has been no change in policy from the legislature. The commitment to the CHRP has already been made in the Commonwealth's two year budget and if there is no budget passed this year the Commonwealth will go forward under the existing budget and its policy choices not to mention the existing statute.

Thank you for the opportunity to comment on the potential suspension of the CHRP. We look forward to participating in the public forum on June 20, 2023.

Best regards,

A handwritten signature in black ink that reads "Doug Gray". The signature is written in a cursive, flowing style.

Doug Gray
Executive Director