



July 3, 2023

To: Honorable Commissioners, Virginia State Corporation Commission
Scott White, Commission of Insurance, Virginia State Corporation Commission

Subject: Possible Suspension of Virginia's Commonwealth Health Reinsurance Program

From: Healthcare for All Virginians Coalition

Dear Commissioners,

Our organizations write to encourage the continuation of Virginia's Commonwealth Health Reinsurance Program (CHRP) due to its important role in maintaining an affordable and stable individual health insurance market in Virginia. Together, our organizations represent thousands of patients and consumers in Virginia - including those living with chronic conditions, young families, older adults, tradesmen and women, and small business owners. As such, we have a unique perspective on the importance of a robust and stable health insurance marketplace that provides comprehensive and affordable coverage.

Sudden, unexpected changes in policy can have catastrophic consequences for health insurance markets and the individuals and families that rely on them. As we saw in the wake of the federal government's 2017 decision to cease cost-sharing reduction (CSR) payments, short-sighted decisions create immense uncertainty for carriers and families. In Virginia, the elimination of federal CSR payments sharply increased premiums, reduced overall carrier participation and carrier service areas, and increased the number of uninsured Virginians.

Since that time, significant state and federal attention to and investment in Virginia's health insurance market has lowered premiums, increased carrier participation and increased enrollment. An important mechanism for achieving these results has been the CHRP. In 2023, the first year of the program, premiums in the individual market dropped an average of 19.5%, twelve carriers offered on exchange plans, up from a low of 7 in 2018, and several carriers expanded their service areas.

As you are aware, carriers were required to submit preliminary 2024 rates in February 2023 and all adjustments must be finalized by mid-July. Suspending the CHRP now could throw the market into

turmoil similar to that experienced in 2017 and 2018. Carriers would not have time to conduct a new market assessment and actuarial analysis. They may assume the worst outcome and increase rates or pull out of Virginia's market to protect themselves from potential losses.

Just as carriers depend on stability to plan for the upcoming year, so do Virginians who rely on the individual market. Suspending the CHRP would, again, force them to choose between paying more for the same health coverage they have now, selecting a plan with less robust coverage, or becoming uninsured. This would most seriously impact older adults and individuals with chronic health conditions who cannot go without health coverage.

Virginians rely on access to quality coverage to protect the lives and health of themselves and their families. We urge you to protect patients, small business owners, and older adults throughout the Commonwealth by maintaining the Commonwealth Health Reinsurance Program.

Sincerely,

Healthcare for All Virginians Coalition
AARP Virginia
ACLU People Power Fairfax
American Lung Association in Virginia
American Cancer Society Cancer Action Network
Appalachian Independence Center
Blue Ridge Independent Living Center
Eastern Shore Center for Independent Living
Hamkae Center
Hemophilia Association of the Capital Area
Immune Deficiency Foundation
Independence Empowerment Center
Move2Health Equity Coalition
National Multiple Sclerosis Society
Progress Virginia
Resources for Independent Living
The Commonwealth Institute
The Impact Project
Virginia Hemophilia Foundation
Virginia Interfaith Center for Public Policy
Virginia Organizing
Virginia Poverty Law Center
Voices for Virginia's Children