



OFFICE OF  
INSURANCE COMMISSIONER

June 7, 2017

This initial objection letter is being sent to all issuers that submitted an individual rate filing for plan year 2018. The purpose of this letter is to put every issuer in the individual market for plan year 2018 on the same level playing field related to the Cost Sharing Reduction (CSR) funding issue and the Affordable Care Act (ACA) individual mandate to buy health insurance.

Before we start our normal review process, please respond to the following objections. The response to this objection letter is due by June 16, before the OIC is required to make public the proposed 2018 plan year rates on the tenth calendar day after the commissioner determines that the rate filing is complete (RCW 48.02.120(5)(a)). You are encouraged to provide the response earlier so we can start our normal review process of your rate filing.

We are sending the following questions in its entirety as one general objection since we have not started our normal review process yet. When you respond, please provide a description how you specifically respond to each item below.

1. Regardless of whether you are marketing inside Exchange, does the rate filing include an assumption or assumptions that the CSR will be funded? If yes, please confirm. If your answer is no, please revise your rate filing to assume that the CSR will be fully funded. For issuers marketing only outside the Exchange, you must remove any assumptions or rate impacts related to the individual market CSR funding issues. Please note that by assuming that CSR will be fully funded at this point is simply to place every issuer on the same level playing field. The Commissioner is committed to addressing this issue and will provide industry-wide guidance in August.
2. With respect to the ACA individual mandate to buy health insurance coverage, do you assume that the mandate will be fully enforced?  
If the answer is yes, please confirm.  
If your answer is no, please provide the following information:
  - (a) The detailed assumptions why it will not be fully enforced, and
  - (b) The rate change percentage for each plan **with and without** the assumption that the individual mandate to buy the health insurance will be fully enforced.

Please provide your response to this objection letter by June 16. As stated above, the Commissioner is committed to requiring issuers to be on the same level playing field and will provide industry-wide guidance in August.