

Commissioner White-

Our group has been closely following SB672 -- both as it moved through the General Assembly and in the subsequent implementation. Once implemented, the bill will provide substantial relief for many within our group who operate small businesses but are currently excluded from purchasing insurance through the small group market.

While the bill will benefit small business owners statewide, the relief will be particularly strong in Charlottesville due to the unusually large ARF differential between Optima's small group and individual plans. A family of 4 like mine would be able to purchase a plan for \$1,120/mo instead of the \$2,920/mo available for the cheapest bronze plan in the individual market.

We understand that last week your office received a letter from Doug Gray outlining several concerns with the implementation. We also know that yesterday, Optima issued the following statement to its agents:

"We recently announced our intent to begin Small Group quoting for sole proprietor plans, with the expectation that more clarity would occur. Unfortunately we need to temporarily suspend any quoting until better guidance is provided between state and federal agencies. We initially anticipated that this would have been resolved in time for us to begin quoting on June 1."

We are very concerned that VAHP's actions will disrupt the implementation of this bill and ask that you do everything in your power to see that the insurers fully implement the requirements of SB672.

We also want to comment on several points raised in Mr. Gray's letter:

Concern over CMS' Allowance of SB672's Changes

As you know, at least six other states (CO, DE, CT, HI, MS, NC) have allowed self-employed individuals to purchase in the small group market. CMS is aware of this and has never opposed these policies.

Limiting Enrollment to Jan 1, 2019

We oppose such a delay to the implementation. Many of our members impacted by this change are not currently in the individual market -- they are either uninsured, or are insured through some sort of non-compliant plan that leaves their families exposed to significant financial risk. Mr. Gray should realize that it was Optima's decision to triple rates in Charlottesville that put small business owners in this precarious position.

Revising Rates

It is inappropriate for insurers to revise rates outside the normal timeline. As you concluded in the individual market, even if new information comes to light about the reasonableness of an insurers' filings, CMS prohibits adjustments to the base/index rate.

Further, if the insurers want to go down this route, Optima ought to revise its Charlottesville individual rates downward substantially, based on the new information presented in their 2019 filing. Further, it is unlikely that the consumers impacted by this law will have a substantial impact on the MLR for the small group market -- not only are the numbers relatively small, but the risk profile of those impacted by SB672 is favorable.

I know you and your team are busy, so I understand if you are not able to send an immediate response. I did, however, want to share the above thoughts and let you know how important it is to our group that SB672 be fully implemented as envisioned by the bill.

Best regards,

Karl Quist
Charlottesville For Reasonable Health Insurance