



OFFICE OF
INSURANCE COMMISSIONER

June 18, 2013

To: David Schumacher, Director
Office of Financial Management

From: Jim Odiorne, Chief Deputy Commissioner

A handwritten signature in black ink, appearing to read "Jim Odiorne".

Subject: CONTINGENCY PLANNING FOR STATE AGENCY OPERATIONS ON JULY 1

This memorandum is in response to your request for a list of services that fall within the categories identified in your memorandum dated June 12, 2013. After consultation with our Assistant Attorney General, the Office of the Insurance Commissioner (OIC) believes that services related to reporting information about the Statewide Health Insurance Benefits Advisors program (SHIBA) to the federal government fall under item #3 of the categorized list provided.

The state receives several grants from the federal government to provide assistance to individuals, particularly seniors, who are trying to understand their health care options. The federal grant for the SHIBA program has a reporting requirement of July 31, 2013, that is a prescribed condition of the grant. Failure to provide the information required in that report could risk federal funding for the SHIBA program. See RCW 43.88.220. This submission cannot be made before July 1, 2013. It will take approximately 1 staff member to upload and validate the data for the report.

In addition, you requested information about services that, if not provided, could result in a catastrophic loss to the state. The conditional approval of the Washington State health benefit exchange (the Exchange) required compliance with all future federal guidance, including the timely certification and submission to the federal government of qualified health plan information. Before the Exchange can review health plan information, the OIC must review the rates, forms, and binders submitted by health insurance carriers to ensure compliance with the Affordable Care Act and state laws. To comply with federal deadlines, the OIC must complete its review of all individual or small group health plans offered inside or outside of the Exchange, by July 31, 2013.

The OIC currently has specialized staff working overtime to meet this deadline. If the OIC is unable to complete its review, due to a lack of personnel, this may prevent any plans from being offered in the Exchange. This would not only disrupt the insurance industry that has invested millions of dollars in designing plans that comply with the affordable care act, but also could cause the neediest Washingtonians to lose a chance to obtain federal subsidies for their health insurance premiums. In the event state residents lose the ability to easily search for health insurance, they may drop, or refuse to purchase that insurance, resulting in a loss to the Exchange, the carriers, and state revenue in the form of premium taxes.

Please contact me at 360/725-7106 if you need additional information. Thank you.