



September 29, 2017

The Honorable Steven Mnuchin, Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

The Honorable Thomas E. Price, M.D., Secretary
United States Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Re: Oklahoma 1332 Waiver Withdrawal

Dear Secretaries,

Encouraged by federal communication to Governors promoting the use of 1332 State Innovation Waivers to provide individual health insurance market stability, Oklahoma invested significant resources in enacting legislation, establishing a state-operated reinsurance program and preparing a waiver with the required actuarial analysis. Waiver approval would have helped more than 130,000 Oklahomans' who today are struggling with dramatic price increases, provided greater than a 30% premium reduction and allowed nearly 30,000 individuals to buy insurance in a market many of whom were forced to leave because premiums are unaffordable.

After months of development, negotiation, and near daily communication over the past six weeks, the State and your departments agreed that waiver approval must be received no later than September 25, 2017. As late as last Friday, September 22nd, an agreed upon approval package had been circulated with the state expectation, and federal department promise, that waiver approval would be forthcoming on Monday, September 25th. When your departments communicated on Monday that waiver approval would not be provided, with no reason for the delay or timeframe for approval, the Oklahoma reinsurance program was effectively inoperative for the 2018 plan year. Three days later, beyond health plan commitment and rate filing deadlines, Oklahoma is forced to withdraw our waiver request due to failure of the Departments to provide timely waiver approval.

This withdrawal aims to provide clear direction to Oklahoma's insurance markets that for plan year 2018 there will be no market effects of Oklahoma's 1332 waiver proposal. Oklahoma must receive timely waiver approval and determination of federal pass through in order to provide adequate timeframes for consumer notices and issuer rate adjustments. Our State will continue to explore and develop 1332 waiver(s) for future consideration by your departments but request clear timeframes to navigate the federal waiver approval process.

While we appreciate the work of your staff, the lack of timely waiver approval will prevent thousands of Oklahomans from realizing the benefits of significantly lower insurance premiums in 2018.

Respectfully,

A handwritten signature in black ink that reads "Terry Cline, Ph.D.".

Terry Cline, Ph.D.
Secretary of Health and Human Services
Commissioner of Health
Oklahoma State Department of Health