

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



September 2, 2022

VIA ELECTRONIC MAIL: Jenni.Dye@wisconsin.gov

Tony Evers
Governor
State of Wisconsin
115 East State Capitol
Madison, WI 53707

Dear Governor Evers:

Thank you for your submission on August 5, 2022 of Wisconsin's waiver extension application for a State Innovation Waiver under section 1332 of the Affordable Care Act (ACA). I am pleased to send this letter from the Center for Consumer Information and Insurance Oversight (CCIIO) within the Centers for Medicare & Medicaid Services (CMS) under the Department of Health and Human Services (HHS), as well as on behalf of the Department of the Treasury (collectively, the Departments).

Wisconsin's currently approved waiver of the ACA requirement for the single risk pool contained in ACA section 1312(c)(1),¹ allows the state to implement a state-based reinsurance program called the Wisconsin Healthcare Stability Plan (WIHSP) for the individual health insurance market from January 1, 2019 through December 31, 2023.² Wisconsin's waiver extension request seeks to continue the waiver of ACA section 1312(c)(1) and implementation of its state-based reinsurance program for an additional five years, for plan years 2024 through 2028. Wisconsin is not otherwise seeking to make changes to its section 1332 waiver state-based reinsurance program. Should Wisconsin seek to make changes to its waiver program during the extension period, the state would need to follow the procedures detailed in the terms and conditions in effect at that time.

Consistent with 31 C.F.R. § 33.132 and 45 C.F.R. § 155.1332, the processes and procedures for extension requests finalized in rulemaking,³ and the next steps outlined in the Departments' June 30, 2021 letter to Wisconsin's waiver extension letter of intent,⁴ the Departments have conducted a

¹ Wisconsin's currently approved waiver waives the individual market single risk pool requirement to the extent it would otherwise require excluding total expected state reinsurance payments when establishing the market-wide index rate.

² <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/Wisconsin-1332-Letter-final-and-signed.pdf>

³ See Patient Protection and Affordable Care Act; Updating Payment Parameters and Improving Health Insurance Markets for 2022 and Beyond; Final Rule, 86 FR 53412 at 53483 – 53486 (Sept. 27, 2021).

⁴ <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/1332-WI-LOI-Extension-Response-Letter.pdf>

preliminary review of the waiver extension application, and have made a preliminary determination that Wisconsin's waiver extension application is complete.⁵

As provided in the June 30, 2021 letter, and similar to the Federal public notice and approval process for new section 1332 waiver applications outlined in 45 CFR 155.1308(d) and 31 CFR 33.108(d), the date of this letter marks the beginning of the 30-day Federal public notice and comment process and 90-day Federal decision-making period. Public comments on Wisconsin's waiver extension application will be accepted by the Departments from September 2, 2022 through October 1, 2022, and more information about the Federal public notice process and section 1332 waivers generally can be found on the CCIIO website.⁶ The decision of the Departments regarding approval or denial of Wisconsin's waiver extension application will be issued within 90 days of this preliminary determination of completeness in accordance with section 1332(e) of the ACA.

We look forward to working with you on your waiver extension application and will be in touch if we need additional information. Please do not hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ellen Montz". The signature is fluid and cursive, with the first name "Ellen" and the last name "Montz" clearly distinguishable.

Ellen Montz, Ph.D.

Director, Center for Consumer Information & Insurance Oversight
Deputy Administrator, Centers for Medicare & Medicaid Services

Cc: Lily Batchelder, Assistant Secretary for Tax Policy, U.S. Department of the Treasury
Nathan Houdek, Commissioner, Wisconsin Office of the Commissioner of Insurance (OCI)
Jennifer Stegall, Executive Senior Policy Advisor, OCI

⁵ This completeness determination reflects the law as was current at the time of the State's waiver extension application submission, which preceded the enactment of the Inflation Reduction Act of 2022. The Departments may request updated analysis or information from the State in light of this change in federal law and in order to evaluate and reach a decision on the requested extension.

⁶ https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_state_Innovation_Waivers-.html