

March 28, 2013

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

RE: State Rating Requirements Disclosure Form – Second Submission

Dear Secretary Sebelius:

The enclosed revised State Rating Requirements Disclosure Form and the supporting documentation represents my alternate proposal to set North Carolina's geographic rating areas using sixteen (16) rating areas (the number of Metropolitan Statistical Areas plus one in North Carolina) based on county boundaries for the individual and small group health insurance coverage markets for the State of North Carolina in accordance with 45 CFR Section 147.102(b)(3). I am submitting this alternate proposal because my original proposal (submitted on March 15, 2013) setting North Carolina's geographic rating areas at the county level has been verbally rejected by the Center for Consumer Information and Insurance Oversight (CCIIO).

I am very disappointed that the original proposal, drafted only after careful examination of the potential impact of the final regulation and with wide stakeholder support and input from those who know North Carolina's health care system and marketplace best, has been rejected by CCIIO. I and other stakeholders continue to have concerns about the impact that consolidating rating areas will have upon consumer access and choice in North Carolina, as well as the market disruption that such a change will cause.

This alternate proposal, also drafted with North Carolina stakeholder input and support, suggests establishing a uniform set of 16 geographic rating areas in both the individual and small group insurance coverage markets. The proposed areas are based upon county lines and are in line with the presumed adequate number as outlined in the federal regulation (North Carolina has 15 Metropolitan Statistical Areas). Therefore, I look forward to a favorable response from CCIIO relating to this alternate proposal.

The revised State Rating Requirements Disclosure Form has been completed and is attached along with information about the proposed regions.

Should there be any questions relating to this request, you may contact Julia Lerche (Julia.lerche@ncdoi.gov) or Jean Holliday (jean.holliday@ncdoi.gov) of my staff.

Thank you for considering this request.

Very truly yours,



Wayne Goodwin
Commissioner of Insurance

WG:jh/tb
Enclosure