

August 3, 2015

Acting Commissioner Stephen C. Taylor
Department of Insurance, Securities and Banking
810 First Street, NE, Suite 701
Washington, DC 20002

Dear Commissioner Taylor:

I am writing about the surplus decision for GHMSI and how it factors into upcoming rate decisions. Per DISB's order of December 2014, GHMSI had excessive surplus as of December 2011 and must submit a plan for fair and equitable community health reinvestments. Though DISB has yet to submit this plan, we are aware that its rate request for 2016 includes a 2% contribution to surplus or margin for some products, and a 2.2% contribution to surplus or margin for other products—beyond the rate changes that GHMSI can justify in its cost projections. While we have not delved into the filings, we have two concerns about this:

- We question whether a contribution to surplus should be allowed when GHMSI already has excess surplus. We ask you to consider whether there is any justification for further contribution to surplus and, if not, deny this component of GHMSI's proposed rates.
- We are concerned that GHMSI will try to count any lessening of its contribution to surplus as a community health reinvestment for purposes of complying with the order, and question whether a denial of rates that would produce yet more excess surplus should be considered a community benefit.

On behalf of DC consumers, we thank you for your review. We look forward to a final order on surplus, and a process for community engagement in determining how the District's share will be spent.

Sincerely,



Cheryl Fish-Parcham
Private Insurance Program Director