

State Reinsurance Program Annual Public Forum

Maryland Health Benefit Exchange
Policy Department

July 16, 2021

Public Forum Agenda

- Introduction
- 1332 Waiver Presentation
 - Program Performance for Plan Year 2021
 - 2022 Reinsurance Parameters
 - Program Developments Since Last Annual Reinsurance Public Forum
 - Carrier Accountability Reports
- Public Testimony Period

*Note: If you wish to testify during the public comment period, please sign up on the Google Form in the comment section

Introduction

- This forum is required pursuant to 31 CFR §33.120(c) and 45 CFR §155.1320(c)
- MHBE will host this forum annually
- The purpose is to provide the public an opportunity to give meaningful comment on the progress of the waiver thus far



Maryland State Reinsurance Program Performance for Plan Year 2021

Premiums Continued to Fall

Premiums were lowered by an average of 11.9% for 2021, and more than 30% compared to 2018

Plan Year	Individual Premium Change
2014	n/a
2015	10%
2016	18%
2017	21%
2018	50%
2019	-13%
2020	-10%
2021	-12%

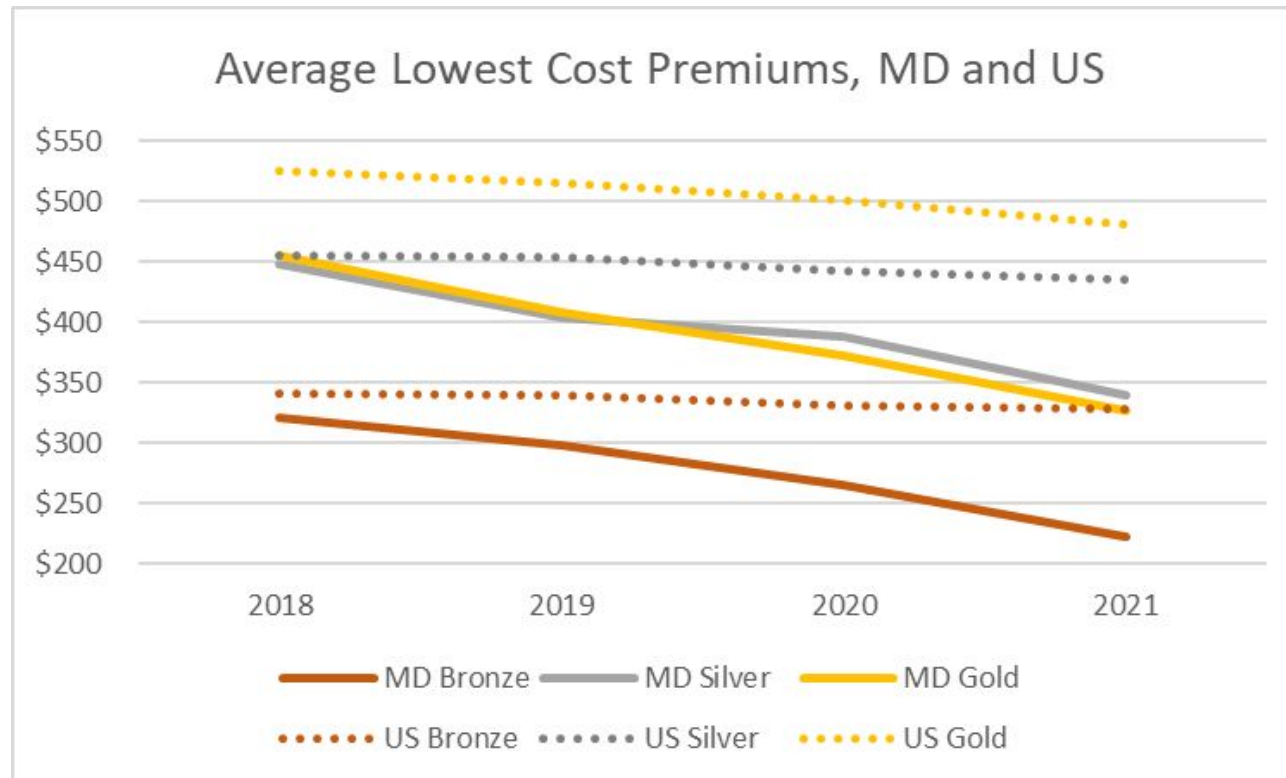
Average (%) Premium Increases (Example)

Average Monthly Premium Change (Example)



Premiums Continued to Fall

In 2021, Maryland's lowest cost plans are about 20-30% below US averages, depending on metal level.



Estimated Effect of the Reinsurance Program on 2021 Premiums

Rate Impact of the SRP by Carrier*

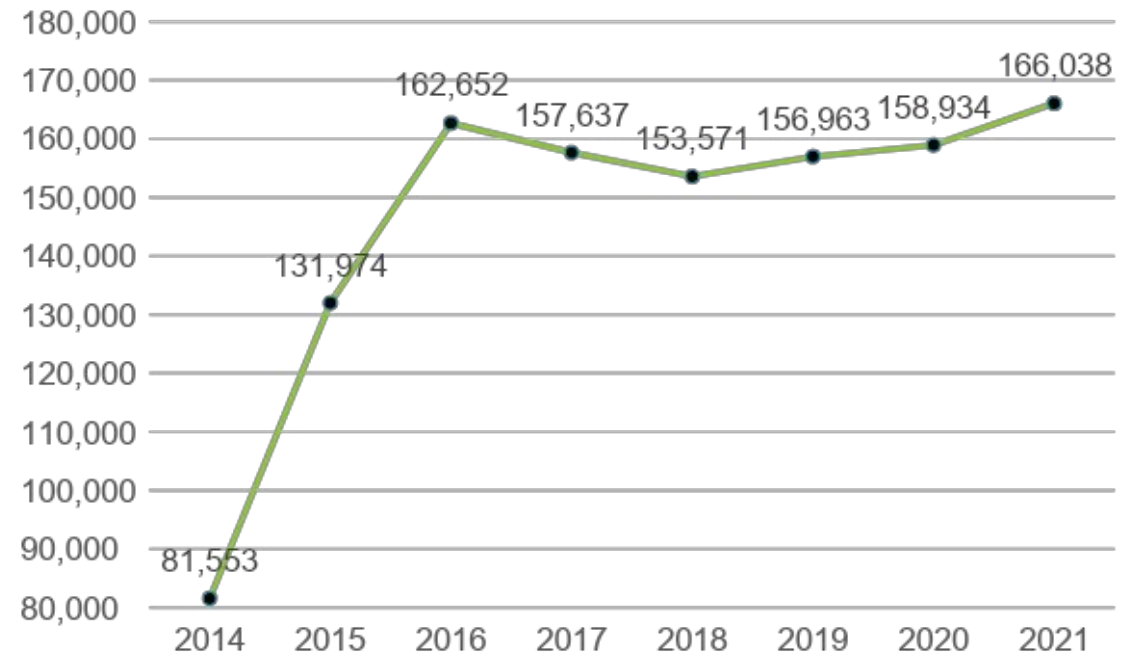
Carrier (Network)	Enrollment (on/off MHC)	2021 Rate Change (w/o Reinsurance)	2021 Rate Change (w/ Reinsurance)
CareFirst (HMO)	135,515	39.4%	-11.9%
CareFirst (PPO)	11,936	56.7%	-17.1%
Kaiser Permanente (HMO)	65,132	23.1%	-11.0%
Total	212,583	35.2%	-11.9%

*Data as of 7/9/21 provided by the MIA

Enrollment Continued to Rise

- Maryland's total 2021 individual market enrollment, including plans obtained directly from carriers was around 219,000 – up about 9% percent from 200,000 earlier¹
- Individual market exchange enrollment is at an all-time high

Individual Market Exchange Enrollment²



1. Enrollment data provided by MIA

2. Enrollment data as of the end of open enrollment preceding each plan year

Estimated Effect of the Reinsurance Program on 2021 Enrollment

Without the reinsurance program, individual market enrollment would have been an estimated 18 percent lower.

Scenario	Total*
2021 Estimate w/o Reinsurance	195,952
2021 Estimate w/ Reinsurance	225,091
Difference w/o Reinsurance	59,139
Actual 2021 Enrollment	219,000

*Data from OCA estimates in September 2020

Actual & Projected SRP Fund Expenses and Income: American Rescue Plan Ends After 2022

	2019	2020	2021 Est.	2022 Est.	2023 Est.
SRP Cost	\$352,798,597	\$400,106,654	\$432,632,395	\$491,646,596	\$505,995,722
Budget Transfer*			\$100,000,000	\$100,000,000	
YA Subsidy*				\$20,000,000	\$20,000,000
Health Equity*					\$15,000,000
Fed. Funding	\$373,395,635	\$447,277,359	\$367,607,761	\$289,191,236	\$243,752,593
State Funding	\$326,889,258	\$118,517,416	\$112,591,545	\$118,896,671	\$125,554,885
End of Year Balance – Fed.	\$20,159,489	\$67,270,190	\$0	\$0	\$0
End of Year Balance - State	\$326,606,485	\$345,123,901	\$357,715,445	\$256,402,313	\$84,714,069

*Can only be funded with state dollars.

Data from Lewis & Ellis 10-year projections as of 7/14/21.

Actual & Projected SRP Fund Expenses and Income: American Rescue Plan Continues After 2022

	2019	2020	2021 Est.	2022 Est.	2023 Est.
SRP Cost	\$352,798,597	\$400,106,654	\$432,632,395	\$491,646,596	\$514,515,711
Budget Transfer*			\$100,000,000	\$100,000,000	
YA Subsidy*				\$20,000,000	\$20,000,000
Health Equity*					\$15,000,000
Fed. Funding	\$373,395,635	\$447,277,359	\$367,607,761	\$289,191,236	\$309,725,071
State Funding	\$326,889,258	\$118,517,416	\$112,591,545	\$118,896,671	\$125,554,885
End of Year Balance – Fed.	\$20,159,489	\$67,270,190	\$0	\$0	\$0
End of Year Balance - State	\$326,606,485	\$345,123,901	\$357,715,445	\$256,402,313	\$142,166,558

*Can only be funded with state dollars.

Data from Lewis & Ellis 10-year projections as of 7/14/21.

2022 Reinsurance Parameters

Estimated 2022 SRP Parameters

- In 2020, Lewis & Ellis updated their 10-year projections using 2019 and emerging 2020 data.
- The projections used the 2020 parameters, holding them constant.
- After comparing 2021 projected and actual enrollment, Lewis & Ellis advised earlier this year that it would be reasonable to use the existing reinsurance parameters as the estimated 2022 parameters.
- The MHBE Board will vote on final 2022 parameters on July 19.

Parameters	Final 2019	Final 2020	Final 2021	Estimated 2022
Attachment Point	\$20,000	\$20,000	\$20,000	\$20,000
Coinsurance Rate	80%	80%	80%	80%
Cap	\$250,000	\$250,000	\$250,000	\$250,000
Dampening Factor	.800	.785	.760	Yes

The background is a solid teal color. In the center, there is a stylized graphic of a flower or a starburst shape, composed of several overlapping, semi-transparent teal circles of varying shades, creating a layered, petal-like effect.

Program Developments Since Last Annual Reinsurance Public Forum

Program Developments Since Last Annual Reinsurance Public Forum*

February 16, 2021	MHBE Board set estimated 2022 SRP parameters
May 3, 2021	MIA Rate filing deadline
May 2021	2020 Carrier Data Submission: -2020 and emerging 2021 claims continuance tables -2020 Carrier EDGE Server Data
July 2, 2021	2020 Carrier SRP Accountability Reports Due
July 2021	-Finalize recommended 2022 SRP parameters and recommendations for SRP & Risk Adjustment Interaction -Estimate 2020 SRP payments
July 19, 2021	MHBE Board set final 2022 SRP parameters
Mid-August – Early September	MIA 2022 Rate Release
September 2021	Issuers receive SRP payments for 2020 claims experience

The background is a solid teal color. In the center, there is a stylized graphic of a flower or a starburst shape, composed of four overlapping, rounded, petal-like shapes in a lighter shade of teal. The text "Carrier Accountability Reports" is centered horizontally and vertically over this graphic.

Carrier Accountability Reports

2019 Reinsurance Program Carrier Accountability Report

- MHBE regulations require carriers to submit an annual report that describes activities to manage the costs and utilization of the enrollees whose claims were reimbursed by the SRP and efforts to contain costs so enrollees do not exceed reinsurance threshold
- The first annual report covers plan year (PY) 2019
 - CareFirst
 - Kaiser Permanente

Report Collects the Following

- Initiatives to manage costs and utilization of enrollees whose claims were reimbursed by the SRP
- The total population of enrollees whose claims were reimbursed by the SRP, the allocation of these enrollees across each of the initiatives described above, and the allocation of enrollees who do not participate in these initiatives and programs
- The effectiveness of the initiatives and programs, as measured by the estimated reduction of claims and utilization
- The actions the carrier will take to improve effectiveness
- The estimated savings to the SRP based on the effectiveness of these initiatives
- The estimated rate impact of the initiatives
- The methodology used to determine which programs to include, their estimated effectiveness, and estimated savings
- Population health initiatives and outcomes

More on the Reporting Instructions

- MHBE collected specific information on carrier initiatives targeting state population health goals including:
 - Diabetes
 - Behavioral health
 - Asthma
 - Pregnancy/Childbirth
- Reporting instructions and templates are available [here](#) and [here](#)

Summary of Care Management Initiatives, PY 2019

Carrier	# of Enrollees with Claims Reimbursed by the SRP	Total SRP Payment	Diabetes	Asthma	Behavioral Health	Pregnancy
CareFirst	9,095	\$287,919,887	Diabetes Care Management Program Serves 318 (29%) of SRP Members with Diabetes	N/A	Behavioral Health Care Management Program Serves 347 (20%) of SRP Members with a BH Condition	N/A
Kaiser Permanente	2,389	\$64,878,710	Diabetes Care Management Program and Diabetes Educational Video Serves 146 (37%) of SRP Members with Diabetes	N/A	N/A	N/A

Claims Reimbursed by the SRP by CSR Status, PY 2019

CSR Status	Total Number of Enrollees	% of Enrollees	Total SRP Payment	% of SRP Payment
On-Exchange and Receiving CSRs	3,264	28.4%	\$93,893,736	26.6%
On-Exchange and No CSRs	4,417	38.5%	\$130,323,922	36.9%
Off-Exchange	3,803	33.1%	\$128,580,939	36.4%
Total	11,484	100%	\$352,798,597	100%

Top Hierarchical Condition Categories among SRP Claims

Most Frequent	Highest Cost
Cancers, including breast, prostate, lung brain, colorectal, and metastatic	Cancers, including breast, prostate, lung brain, colorectal, and metastatic
Diabetes	Congestive Heart Failure
Inflammatory Response Syndrome/Shock	Diabetes
Congestive heart Failure	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock
Respiratory Arrest, Failure, and Shock	Respiratory Arrest, Failure, and Shock
Asthma and COPD	Asthma and COPD
Specified Heart Arrythmias	Specified Heart Arrythmias
Endocrine and Metabolic Disorders, excluding Congenital Disorders	End Stage Renal Disease
Pregnancy	Non-Traumatic Coma, Brain Compression/Anoxic Damage
HIV/AIDS	Protein-Calorie Malnutrition
Autistic Disorder	Coagulation Defects and Other Specified Hematological Disorders
Major Depressive & Bipolar Disorders	Hemophilia
Drug Dependence	Inflammatory Bowel Disease
End Stage Renal Disease	Autistic Disorder
	Multiple Sclerosis

Next Steps

- PY 2019 reports will be published shortly
- Since this was the first year of reporting, carriers did not provide data on the effectiveness of initiatives
- This report will serve as a baseline and carriers will report on effectiveness and savings in their PY 2020 reports
- PY 2020 reports are due in the summer of 2021



Public Comment

Appendix: Summary Data, 2014-2021

Benefit Year	Participating carriers (#)	QHPs Offered (#)	Enrollment	Subsidized/ Unsubsidized (%)	Premium Change (%)	Rate Justification
2014	4	45	81,553	80/20	-	-
2015	5	53	131,974	70/30	10%	Sicker/Older Pool MHIP Migration Increased unit cost of care Increased utilization Health Insurer Fee
2016	5	53	162,652	70/30	18%	Actual claims experience higher than 2015 rates Pent-up demand in formerly uninsured entrants Risk Adjustment payments Increased cost and utilization trends Reduction in reinsurance payments
2017	3	23	157,637	78/22	21%	Increased unit cost of care, claims, morbidity of pool Cessation of the reinsurance program
2018	2	21	153,571	79/21	50%	New members entering risk pool Current members terminating coverage Increased churn and trend Loss of CSR Individual mandate enforcement not included in rate
2019	2	20	156,963	77/23	-13%	Introduction of the State Reinsurance Program Medical inflation Removal of the Individual Mandate
2020	2	23	158,934	76/24	-10%	Ongoing effectiveness of reinsurance program Trend
2021	3	33	166,038	73/27	-12%	Reinsurance program New market entrants