

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers - Reinsurance Waiver Annual Report

Reporting Instructions: Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on paragraph 10 of your specific terms and conditions (STC), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked “if applicable,” please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft annual reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE:

A. GRANTEE INFORMATION		
1. Reporting Period End Date December 31, 2021	2. Report Due Date August 30, 2022	3. Report Submitted On (Date)
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency 1SIWIW190006-01-00	6a. DUNS Number 07847412	6b. EIN 526002033
7. Recipient Organization Name Maryland Health Benefit Exchange		
Address Line 1 750 E Pratt St.		
Address Line 2 6th Floor		
Address Line 3		
City Baltimore	State MD	Zip Code 21202
Zip Extension	8. Grant Period Start Date January 1, 2019	9. Grant Period End Date December 31, 2023
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)		
2021 Reinsurance Factors Table from the Maryland Insurance Administration		

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B. REPORT CERTIFICATION	
11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.	
11a. Typed or printed name and title of Authorized Certifying Official	Michele Eberle
11b. Signature of Authorized Certifying Official	
11c. Telephone (area code, number, and extension)	(443) 750-2987
11d. E-mail address	michele.eberle@maryland.gov
11e. Date report submitted (month/day/year)	Aug 9, 2022
C. PROGRESS OF SECTION 1332 WAIVER - <u>General</u>	
12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.	
	Based on consultation with the Maryland Insurance Administration (MIA) and actuarial firm Lewis & Ellis, Maryland Health Benefit Exchange (MHBE) staff recommended that the Board of Trustees (the Board) approve the existing reinsurance parameters as the 2023 estimated reinsurance parameters.
	On February 22, 2022, the Board voted to approve the 2023 estimated parameters to again include a \$20,000 attachment point, 80% coinsurance, \$250,000 cap, and a dampening factor to be determined by the Insurance Commissioner. This informed MIA rate filings in May. A 30-day public comment period on the estimated parameters (except for the as-yet undetermined dampening factor) began on March 1, 2022. On July 18, 2022, the Board voted to finalize the 2023 parameters with the attachment point, coinsurance, cap, and dampening factors as estimated.
	MHBE also provided technical assistance to the legislature on HB413/SB395. HB413 has been enacted and extends the 1% health insurance provider assessment from 2023 to 2028. The funds will support MHBE's application to extend the reinsurance waiver for a second 5-year period.

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13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails, and plans for and results of associated corrective actions. After the first year, only report on changes and/or updates, as appropriate.

None

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D. PROGRESS OF SECTION 1332 WAIVER - State-Specific		
14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1)		
	Value	Comments (if applicable)
a. Actual individual market enrollment on the Exchange in the state	173,690	Total Member Months: 2,084,280
Actual individual market enrollment off the Exchange in the state	48,359	Total Member Months: 580,309
b. Actual average individual market premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$442.47	
Actual average individual market premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$356.68	
c. Actual Second Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year old non-smoker) in each rating area	Rating Area 1a: \$269.37 Rating Area 1b: \$270.91 Rating Area 2a: \$270.91 Rating Area 2b: \$446.76 Rating Area 2c: \$278.48 Rating Area 3: \$270.91 Rating Area 4a: \$270.91 Rating Area 4b: \$446.76 Rating Area 4c: \$286.83	From 2021 state specific premium data for section 1332 waiver pass-through calculations: https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers-#Application_Tools_and_Resources

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	Value	Comments (if applicable)
<p>Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year old non-smoker) in each rating area</p>	<p>Rating Area 1a: \$374.90</p> <p>Rating Area 1b: \$374.90</p> <p>Rating Area 2a: \$374.90</p> <p>Rating Area 2b: \$834.38</p> <p>Rating Area 2c: \$404.78</p> <p>Rating Area 3: \$374.90</p> <p>Rating Area 4a: \$374.90</p> <p>Rating Area 4b: \$834.38</p> <p>Rating Area 4c: \$416.93</p>	<p>From 2021 state specific premium data for section 1332 waiver pass-through calculations: https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers-#Application_Tools_and_Resources</p>
<p>d. For states with State-based Exchanges, actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year</p>	<p>Rating Area 1a: \$204,627,511.88</p> <p>Rating Area 1b: \$4,389,662.21</p> <p>Rating Area 2a: \$3,034,096.76</p> <p>Rating Area 2b: \$59,544,326.26</p> <p>Rating Area 2c: \$31,895,203.28</p> <p>Rating Area 3: \$249,804,621.51</p> <p>Rating Area 4a: \$7,400,758.68</p> <p>Rating Area 4b: \$28,971,689.06</p> <p>Rating Area 4c: \$32,150,251.10</p>	<p>From MHBE internal calculations. Total amount across all rating areas: \$621,818,120.74</p>
<p>e. For states with State-based Exchanges, actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.</p>	<p>153,928</p>	

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15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.

Maryland's reinsurance waiver does not impact the scope of benefits covered on Maryland's essential health benefit benchmark.

16. Describe any changes to the state-operated reinsurance program, including changes to the funding level the program will be operating at for the next plan year, any changes to the approved payment parameters for reinsurance program reimbursement or changes to eligibility criteria for enrollees' claims to be reimbursed under the program.

None.

17. Describe any changes in state law that might impact the waiver and the date(s) these change occurred or are expected to occur.

HB413 of 2022 extended the 1% health insurance provider assessment from 2023 to 2028. The bill was enacted and the funding will support MHBE's application to extend the reinsurance waiver for a second 5-year period.

Additionally, MHBE began implementation of the Unemployment Insurance arm of the Easy Enrollment Program in May of this year and piloted the Young Adult Subsidy program during the most recent open enrollment period. Both of these statutory programs may lead to an increase in on-exchange enrollment.

18. Report on spending:

	Value	Comments (if applicable)
a. Amount of Federal pass-through funding spent on individual claim payments to issuers from the reinsurance program	\$467,658,487.78	
b. Amount of Federal pass-through funding spent on operation of the reinsurance program	\$56,993.75	CMS EDGE server fee: \$8,000 Actuarial fees: \$48,993.75
c. Amount of any unspent balance of Federal pass-through funding for the reporting year	\$74,202,179	

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d. Amount of state funding contribution to fully fund the program for the reporting year	\$0	
<p>19. If applicable, provide a claims breakout at an aggregate level for the top 5 conditions or cost drivers of the 5 conditions, including settings of care in the individual market.</p> <p>Not applicable because Maryland has a claims-based reinsurance program. However, in 2020, the top five most expensive conditions were:</p> <ol style="list-style-type: none"> 1. Cancers 2. Septicemia, sepsis, systemic inflammatory response syndrome/shock 3. Respiratory arrest, failure, and shock 4. Diabetes 5. Congestive heart failure 		
<p>20. If applicable, report on any incentives for providers, enrollees, and plan issuers to continue managing health care cost and utilization for individuals eligible for reinsurance.</p> <p>Issuers are required to submit State Reinsurance Program Carrier Accountability Reports annually for the preceding year, in which they document their actions to manage the costs and utilization of enrollees whose claims are reimbursable under the SRP. The deadline for these reports was June 30 in the first years of the program; the 2022 deadline for the 2021 reporting year will be later to accommodate the development of more comprehensive reporting instructions.</p>		
<p>21. If applicable, report of any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high cost risk adjustment program.</p>		
	Value	Comments (if applicable)
a. Reinsurance payment (before reconciliation) for high-cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool	N/A	HHS does not modify RA payments in Maryland. However, for 2021 payments the state will apply at the state level a factor to reinsurance payments to adjust for the interaction with the risk adjustment program. See the attachment "2021 Reinsurance Factors" for carrier reinsurance payments after application of the dampening factor
b. Risk adjustment amount paid by HHS for those claims	N/A	

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c. Reinsurance reconciliation (or true-up) amount applied	N/A	
E. POST-AWARD FORUM		
22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?		
<input checked="" type="radio"/> Yes <input type="radio"/> No		
23. State website address where Post-Award Forum was advertised		
http://www.dsd.state.md.us/MDR/4812.pdf and https://www.marylandhbe.com/policy/reinsurance-program/		
24. Date Post-Award Forum took place		
July 16, 2021		
25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received and actions taken in response to concerns or comments.		
<p>MHBE's Director of Policy and Plan Management, Johanna Fabian-Marks, presented on program performance for plan years 2020-2021 and program developments since last year's forum. Johanna shared that the reinsurance program continues to reduce premiums, with a decrease of about 12% in 2021 and a more than 30% decrease since 2018. Total individual market enrollment has also climbed in Maryland, with a 9% increase in enrollees in 2021 compared to 2020. Although the increase in enrollment is not solely explained by the reinsurance program, it set the stage for increasing enrollment during the pandemic. Johanna then discussed the program costs and projected funding.</p> <p>Johanna presented the estimated 2022 program parameters, which were a \$20,000 attachment point, 80% coinsurance rate, and \$250,000 cap, as well as a dampening factor to be determined by the Insurance Commissioner.</p> <p>Carrier accountability reports were also covered. Kaiser Permanente and CareFirst submitted reports for plan year 2019, the first year of reporting. Johanna shared a summary of the carriers' care management initiatives and other data included in the reports.</p> <p>Time was allotted for public comment and testimony. One attendee offered testimony in support of the reinsurance program and its role in promoting quality, affordable healthcare.</p>		
26. Other Attachments (attach other documents as needed pertaining to Post-Award Form)		
Reinsurance Third Annual Forum slides and meeting minutes. There were no written submitted comments.		

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F. STATE INTERNAL IMPLEMENTATION REVIEW - ATTESTATION

27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).

Yes

No

28. Describe the state's implementation review process.

Maryland produced three quarterly reports, one pass-through funding report, and one annual report to the Center for Medicare and Medicaid Services Center for Consumer Information and Insurance Oversight (CCIIO). These reports catalog a timely process of how the Maryland State Reinsurance Program functions throughout the plan year.

To support the implementation of oversight of the Maryland Reinsurance program, Maryland adopted state specific regulations surrounding the program (COMAR 14.35.17 State Reinsurance Program). This chapter sets forth the structure, implementation, and eligibility standards for the State Reinsurance Program, as required under Insurance Article, Section 31-117, Annotated Code of Maryland. Regulations were finalized in January 2019.