

State Reinsurance Program Annual Public Forum

Maryland Health Benefit Exchange
Policy Department

July 16, 2024



This meeting will be recorded

Introduction

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

Public Forum Agenda

- Introduction
- 1332 Waiver Presentation
 - Program Performance for Plan Year 2024
 - 2025 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

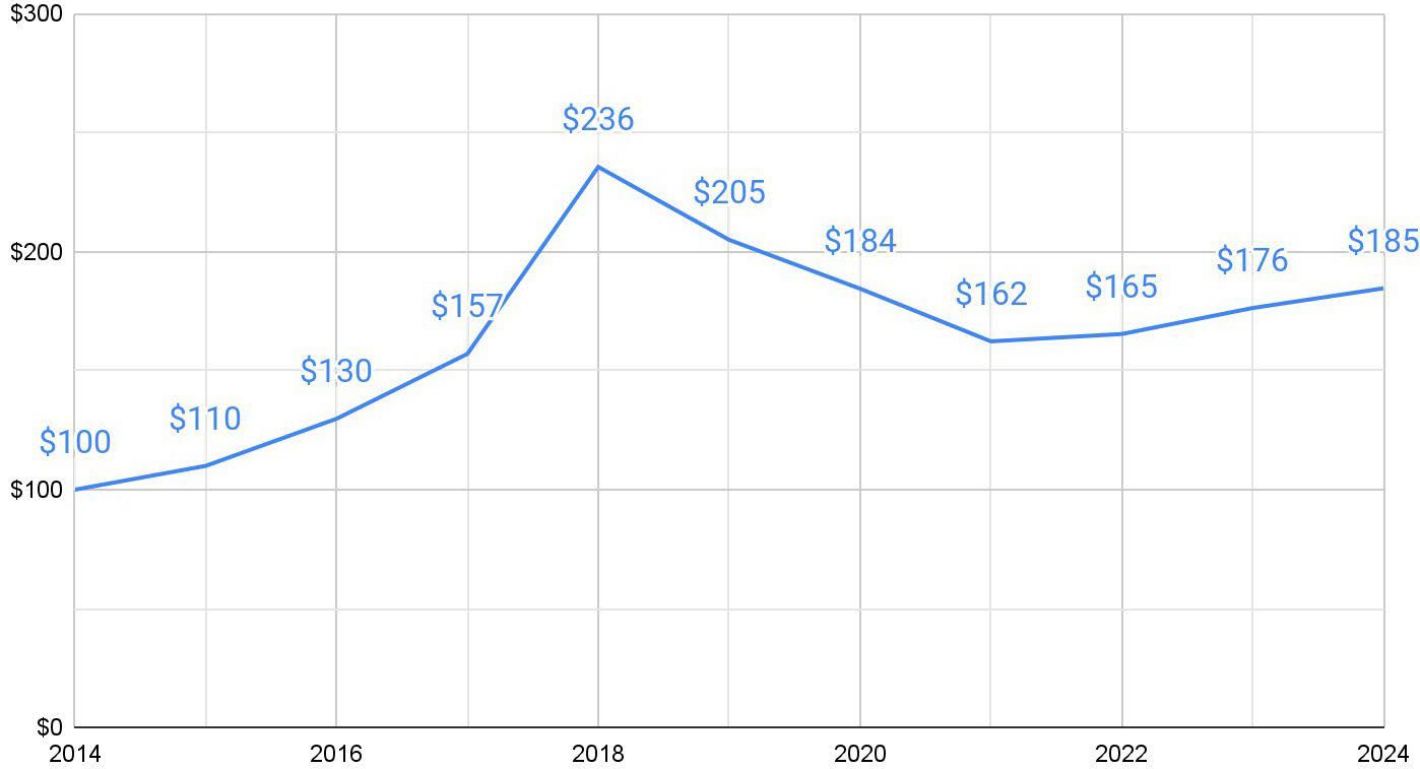


Maryland State Reinsurance Program Performance for Plan Year 2024

Premiums Fell Through 2021; Rose in 2022-2024

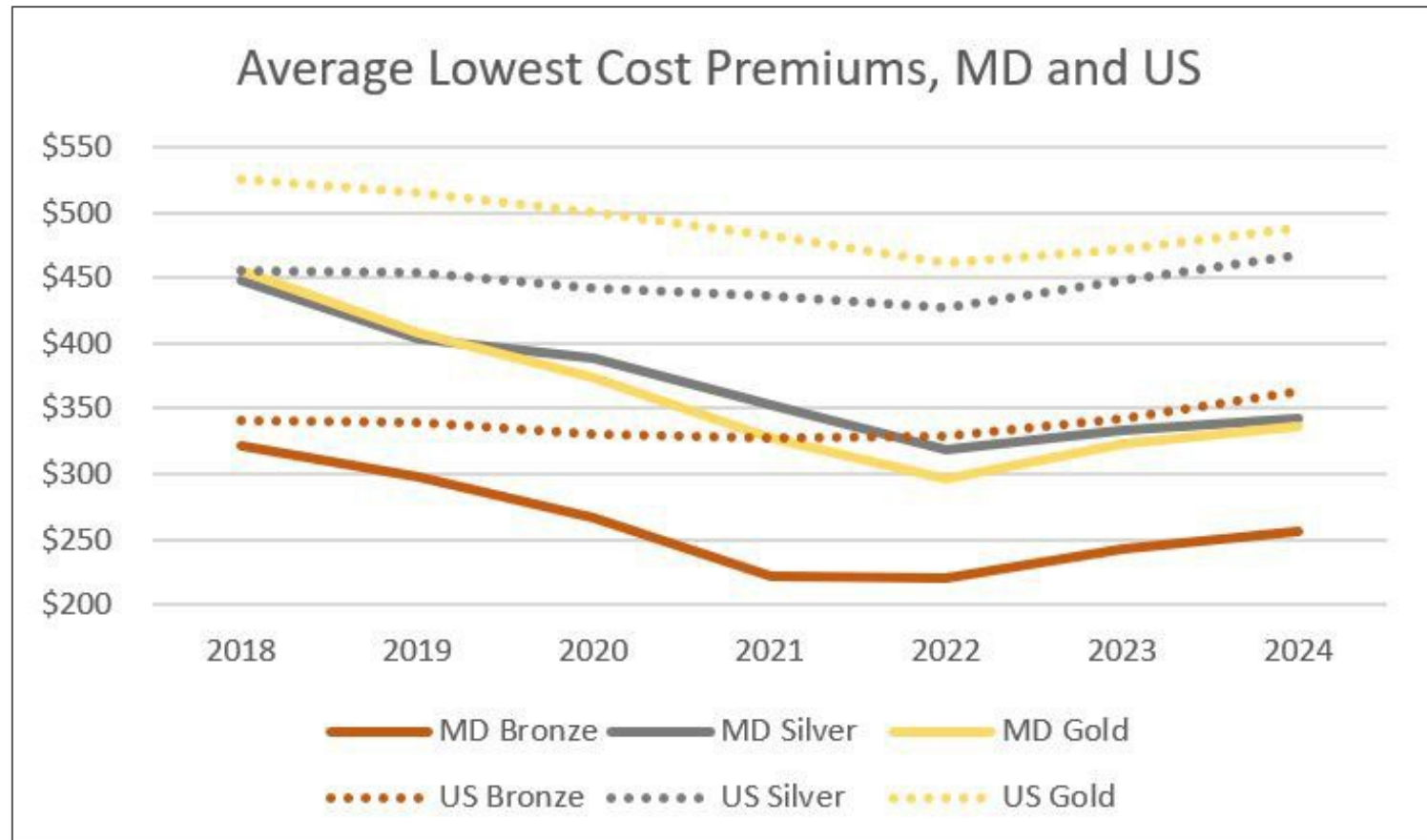
Plan Year	Individual Premium Change
2015	10%
2016	18%
2017	21%
2018	28%
2019	-13%
2020	-10%
2021	-12%
2022	2.1%
2023	6.6%
2024	4.7%
2025 (proposed)	6.7%

Change in Average Monthly Premium by Year (Example)



Reinsurance Program Impact: Premiums Successfully Reduced

- Premiums are down more than 20% compared to 2018.
- Maryland's lowest cost plans are about 25-30% below US averages



Data source: Kaiser Family Foundation:

<https://www.kff.org/health-reform/state-indicator/average-marketplace-premiums-by-metal-tier>

Estimated Effect of the Reinsurance Program on 2024 Premiums

Rate Impact of the SRP by Carrier

Carrier (Network)	Enrollment* (on/off MHC)	2024 Rate Change (w/o Reinsurance)**	2024 Rate Change (w/ Reinsurance)**
CareFirst (HMO)	131,569	48.2%	4.9%
CareFirst (PPO)	19,436	70.3%	-2.5%
Kaiser Permanente (HMO)	58,381	45%	8.3%
Optimum Choice (HMO)	57,275	34.6%	-1.2%
Aetna Health, Inc	2,074	[39.4%]	N/A
Total	268,735	47.7%	4.7%

*[Data as of 6/3/24 provided by the MIA](#)

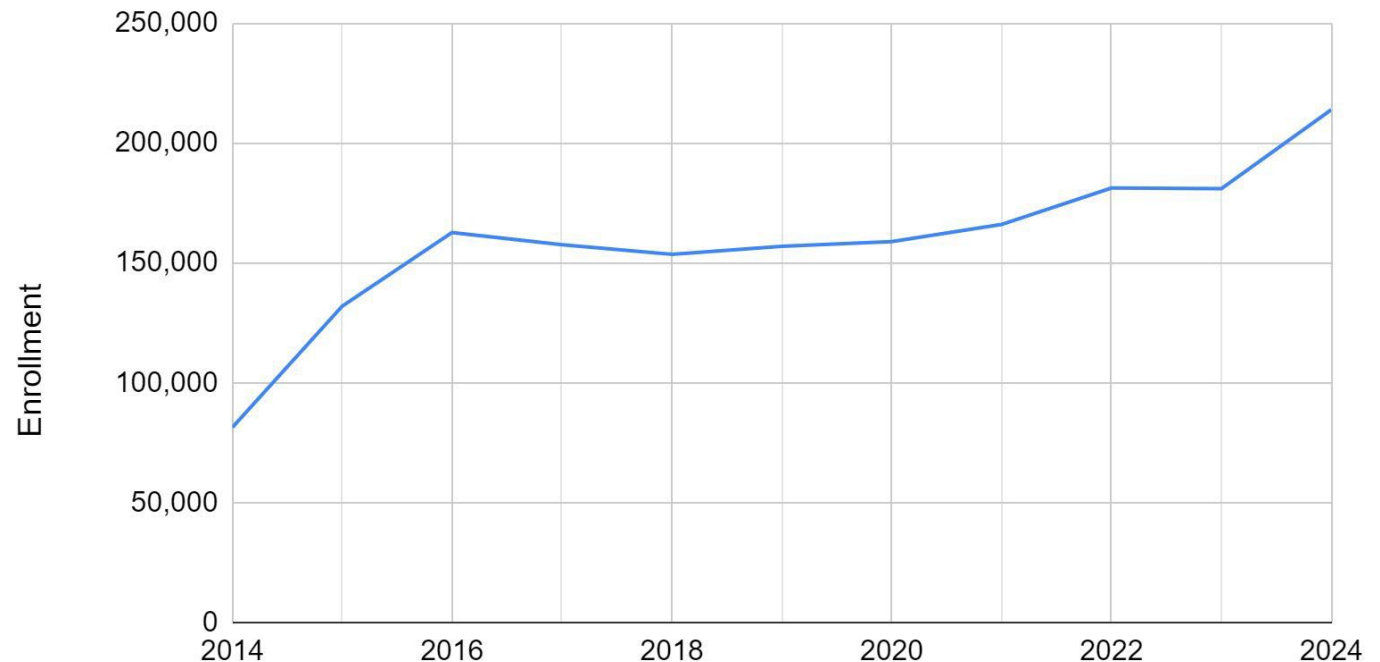
**Data provided by the MIA

Enrollment Continues to Rise

Between 2019 and 2024:

- On-Exchange enrollment is up 36%
- Total individual market enrollment (on- and off-Exchange) is up 32.8%

On-Exchange Enrollment, 2014 - 2024



On-Exchange enrollment data from MHBE monthly data reports as of the end of Open Enrollment

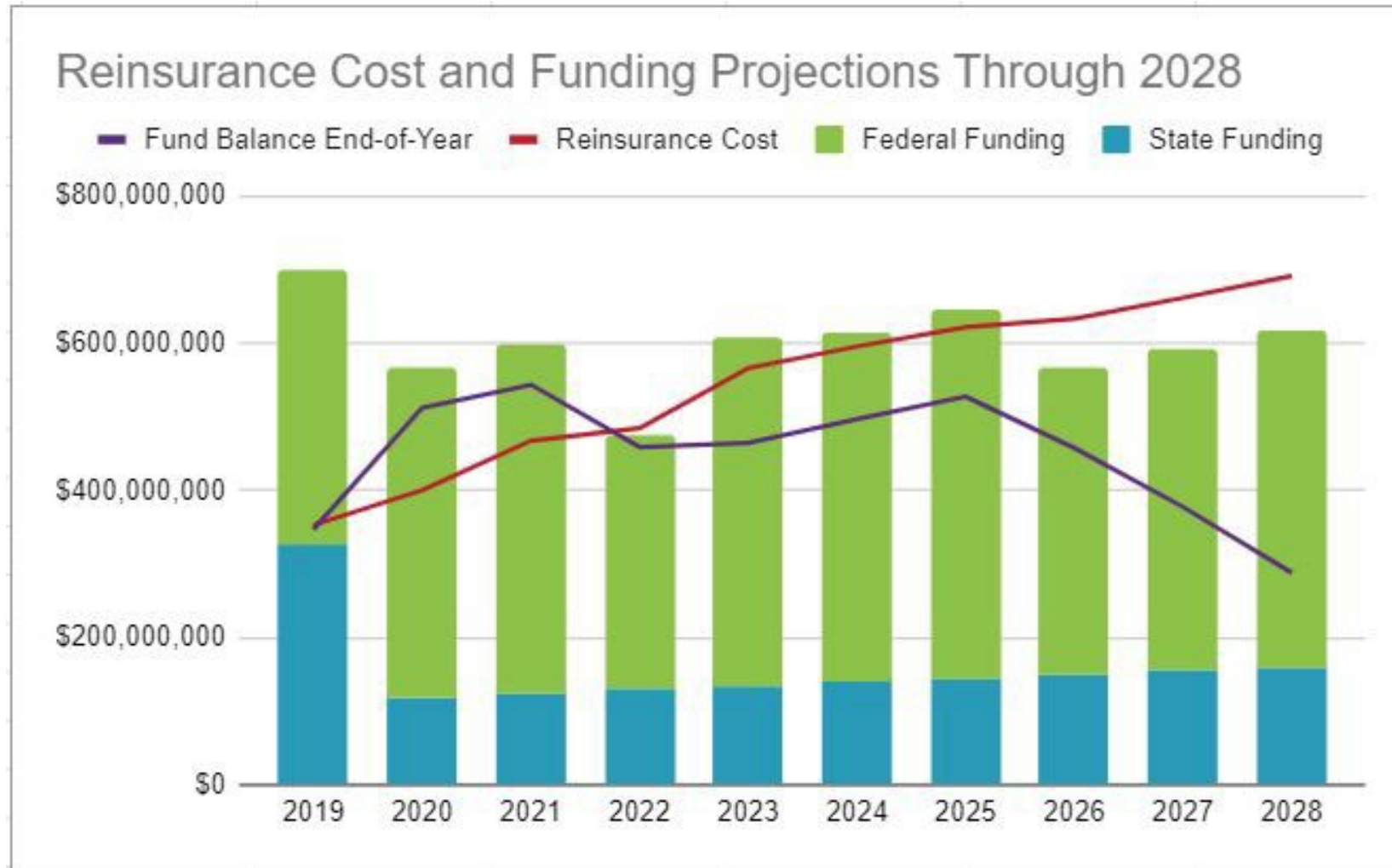
Estimated Effect of the Reinsurance Program on 2024 Enrollment

Without the reinsurance program, individual market enrollment would have been an estimated 6 percent lower.

Scenario	Total*
2024 Estimate w/o Reinsurance	242,196
2024 Estimate w/ Reinsurance	257,656
Difference w/o Reinsurance	15,460

*Data from actuarial estimates (July 2024)

July 2024 SRP Funding Projections with 2025 Attachment Point of \$21,000



- Projections assume attachment point increases by \$1000 annually starting in 2025; enhanced federal tax credits end in 2025.
- Reflected in end-of-year balance, but not otherwise shown: \$219M removed from state SRP fund for other programs across FY21-25, and est. \$68M for Young Adult Subsidy across FY22-26.

2025 Reinsurance Parameters

SRP Parameters - Regulatory Requirements

COMAR 14.35.17.04

B. Each year the Board shall set the payment parameters for the State Reinsurance Program by determining the following factors:

- (1) An attachment point;
- (2) A coinsurance rate;
- (3) A reinsurance cap; and
- (4) A market-level dampening factor provided by the Commissioner, if determined necessary by the Board.

C. For each benefit year after 2019, the Board shall set the estimated payment parameters for the State Reinsurance Program on or before April 1 of the calendar year preceding the applicable plan year.

D. For each benefit year after 2019, the Board shall set the final payment parameters for the State Reinsurance Program before December 31 of the calendar year preceding the applicable plan year.

Final 2025 SRP Parameters

- On February 20, 2024, the Board set estimated 2025 parameters with an attachment point of \$21,000
- On July 15, 2024, the Board set the final 2025 parameters:

Parameters	2019 - 2022	2023	2024	Estimated 2025	Final 2025
Attachment Point	\$20,000	\$18,500	\$20,000	\$21,000	\$21,000
Coinsurance Rate	80%	80%	80%	80%	80%
Cap	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Dampening Factor	.760 - .805	.840	.850	Yes	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

Waiver Amendment Request

- Maryland General Assembly passed Access to Care Act (SB705/HB728)
 - Directs MHBE to apply for waiver amendment to allow all residents to enroll on-Exchange, regardless of immigration status (waiver of section 1312(f)(3) of the Affordable Care Act)
- MHBE requests to waive section 1312(f)(3) for the period January 1, 2026 through December 31, 2028. MHBE anticipates launching the new eligibility rules by November 1, 2025 for enrollment in 2026 plans.

2024-2025 1332 Waiver Key Dates

Feb 20, 2024	MHBE Board	Set estimated 2025 SRP parameters.
April 15, 2024	MHBE Policy	Submitted letter of intent (LOI) to request waiver amendment
May 20, 2024	MIA	2025 Rate Filing Deadline
May 4, 2024	CCIIO	CCIIO responded to amendment request LOI
May 2024	MHBE Policy	2023 Carrier Data Submission: - 2023 and emerging 2024 claims continuance table - 2023 Carrier EDGE Server Data
June 10, 2024	MHBE Policy	Posted draft waiver amendment request; public comment June 10 - July 9, 2024. Two public hearings: June 18 & July 3
July 15, 2024	MHBE Board	Set final 2025 SRP parameters; Vote to submit amendment request
Mid September	MIA	MIA 2025 rate release
Fall 2024	MHBE Policy	2023 Carrier SRP Accountability Reports Due
Sept 2024	MHBE	Issuers receive SRP payments for 2023 claims experience
Aug 29, 2024	CMS/CCIIO	Amendment request determined complete or not (up to 45 days); 30-day Federal public comment period through September
Feb 25, 2025	CMS/CCIIO	Last day to approve amendment request; decision requested by end of 2024
Nov 1, 2025	MHBE	Open enrollment starts for PY2026; all qualified residents eligible to enroll

The background is a solid teal color. In the center, there is a stylized graphic of a flower or a four-petaled star. Each petal is a light blue color and is formed by two overlapping semi-circles. The petals are arranged symmetrically around the center.

Carrier Accountability Reports

Reinsurance Program Carrier Accountability Reports

- 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 the reinsurance threshold
- The initial annual reports cover plan years (PYs) 2019-2022
 - CareFirst
 - Kaiser Permanente
 - United (2021 and 2022 only)

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

Targeted Conditions in Carrier Accountability Reports

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

SRP Payments and Enrollment by Carrier

Adults aged 55-64 years accounted for the largest portion of both SRP enrollment and payments in all years (data not shown)

Carrier	# of Enrollees with Claims Reimbursed by the SRP	% of Enrollees with Claims Reimbursed by the SRP	Total SRP Payment	% of Total SRP Payment*	% of Total Market Enrollment
PY 2019					
CareFirst	9,095	79%	\$267,234,734	76%	53%
Kaiser	2,389	21%	\$85,563,864	24%	47%
Total	11,484	100%	\$352,798,597	100%	100%
PY 2020					
CareFirst	10,179	82%	\$317,104,612	79%	62%
Kaiser	2,225	18%	\$83,002,042	21%	38%
Total	12,404	100%	\$400,106,654	100%	100%
PY 2021					
CareFirst	12,192	83%	\$381,657,103	82%	67%
Kaiser	2,419	16%	\$81,956,875.77	18%	32%
United	96	1%	\$4,044,508.52	1%	1%
Total	14,707	100%	\$467,658,488	100%	100%
PY 2022					
CareFirst	12,297	81%	\$386,768,673	80%	64%
Kaiser	2,446	16%	\$82,396,335.82	17%	30%
United	392	3%	\$15,755,448.35	3%	6%
Total	15,135	100%	\$484,920,457	100%	100%

Summary of PY 2022 Care Management Initiatives

Asthma: None

Pregnancy: None

Heart Disease

- Kaiser Permanente: Hypertension Messaging, PY 2022

Behavioral Health

- CareFirst:
 - Behavioral Health & Substance Use Disorder Care Management Program, PYs 2019-2022
 - Behavioral Health Digital Solution, PY 2022
- Kaiser Permanente: Depression Care Management Program, PYs 2020-2022

Diabetes

- CareFirst:
 - Diabetes Care Management Program, PYs 2019-2022
 - Diabetes Virtual Care, PYs 2020-2022

- Kaiser Permanente:
 - Diabetes Care Management Program, PYs 2019-2020
 - Diabetes Educational Video, PY 2019
 - Diabetes Glucometer, PYs 2020-2022
 - Diabetes Messaging Program, PYs 2021-2022

Other

- CareFirst: High-Cost Claimant Unit, PY 2022

United had limited enrollment in 2022 and had no care management initiatives meeting the reporting threshold of 300 or more enrollees. However, United has a behavioral health program focused on opioid use disorder – the Retrospective Drug Utilization Review Program – and a broader Case Management Program that coordinates care for high-risk patients with chronic or acute health care needs.

Top 5 Most Frequent Hierarchical Condition Categories (HCCs) among SRP Claims

2020	2021	2022
Diabetes with and without Complications	Diabetes with and without Complications	Diabetes with and without Complications
HIV/AIDS	HIV/AIDS	Ongoing Pregnancy without Delivery with No or Minor Complications
Cancers	Cancers	Major Depressive Disorder, Severe, and Bipolar Disorders
Heart Failure	Ongoing Pregnancy without Delivery with No or Minor Complications	Varicella Encephalitis and Encephalomyelitis
Asthma and Chronic Obstructive Pulmonary Disease	Heart Failure	Cancers

- Diabetes, one of the state’s public health priorities, was the most frequent HCC among SRP enrollees in all 3 years.
- Cancers were also in the top 3 in each year
- HIV/AIDS and Ongoing Pregnancy without Delivery with No/Minor Complications were among the most frequent HCCs in 2 of the 3 years

Top 5 HCCs among SRP Claims by Total Allowed Claims

2020	2021	2022
Cancers	Cancers	Cancers
Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock
Respiratory Arrest, Failure and Shock	Hemophilia	Ongoing Pregnancy without Delivery with No or Minor Complications
Diabetes with and without Complications	End Stage Renal Disease	Hemophilia
Heart Failure	Inflammatory Bowel Disease	Heart Failure

- Various cancers were the highest cost HCCs among SRP enrollees in all 3 years.
- Heart Failure was in the top 5 in 2 out of 3 years
- Septicemia, sepsis, and systemic inflammatory response syndrome/shock were also among the top 5 in each year.

The background features a solid teal color with four large, overlapping circles of a lighter shade of teal. These circles are arranged in a cross-like pattern, with each circle overlapping the others at their centers. The text "Public Comment" is centered horizontally and vertically over the intersection of these circles.

Public Comment

Appendix

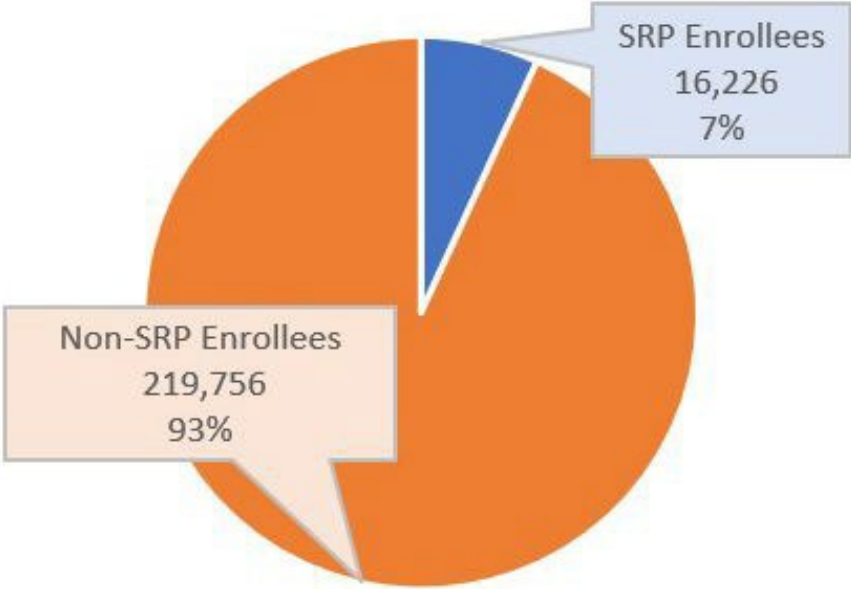


2023 Reinsurance Results – Cost, Funding, Enrollment

2023 Program Cost and Federal Funding

	Summer 2023 Projection (L&E)	2023 Actuals
Cost	\$544M	\$566M
Federal Funding	n/a	\$473M

2023 Total Average Individual Market Enrollment

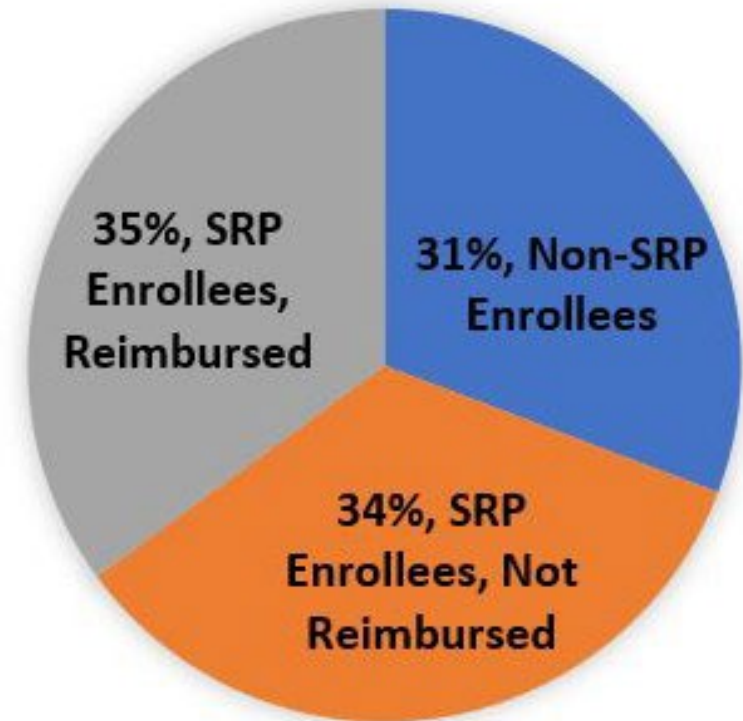


Enrollment calculated by MHBE using member months in CMS SRIS file

2023 Reinsurance Results – Paid Claims Breakdown

- Total paid claims in 2023 were about \$1.62B
- The 93% of enrollees who did not qualify for SRP payments accounted for 31% of paid claims
- The 7% of enrollees who qualified for SRP payments accounted for 69% of paid claims
 - The SRP reimbursed about half of these claims, accounting for 35% of total paid claims
 - Issuers covered the other half, accounting for 34% of total paid claims

2023 Paid Claims



Appendix: Summary Data, 2014-2024

Sources: MHBE Annual Reports, MHBE Plan Management, MIA Rate Decisions, Carrier Rate Justifications Data as of the end of open enrollment preceding each benefit year

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
2022	3	33	181,206	79/21	2.1%	
2023	3	33	182,166	76/24	6.6%	
2024	4	42	213,895	77/23	4.7%	