



New Hampshire Reinsurance Program

Actuarial Work Group Meeting

03/16/2021

Agenda

- Events Since Last Meeting
- 2021 Estimated Reinsurance Payment
- 2022 Proposed Reinsurance Program Parameters
- Potential Impact of American Rescue Plan
- Care Management Description Submission Status

Events Since 2/9/21 Meeting

- Received summary of 2021 projected federal funding from CMS
- Contacted CMS and asked for detail of calculation; received only limited information
- Requested and received carrier data to evaluate distribution of enrollment by age and income
- Developed the distribution and used it to attempt replication of the CMS 2021 estimates
- Developed projected 2022 federal funding estimate
- Developed proposed 2022 reinsurance parameters

CMS Estimated 2021 Reinsurance Payment

On February 25, CMS released key components of Section 1332 tentative pass-through payments for 2021 reinsurance waivers.

Item	New Hampshire
Total 2020 APTC	\$143.5 million
Projected 2021 APTC without waiver	\$126.8 million
Projected 2021 APTC with waiver	\$102.0 million
Projected APTC 2021 savings	\$24.8 million
Total PTC subsidy/APTC, 2018	94.17%
Projected total PTC subsidy savings	\$23.4 million
Loss of 3% Exchange fee on savings	(\$700,837)
Net federal funding estimate	\$22.7 million

Reproduction of Calculation Based on Carrier Data

Item		Without Waiver	With Waiver
Enrollment	Receiving APTC	28,811	28,021
Avg Premium PMPM	Gross	\$557.84	\$487.43
	Actual	\$199.30	\$194.81
	APTC	\$358.54	\$292.61
Annual Premium	Gross	\$192.9 million	\$163.9 million
	Actual	\$68.9 million	\$65.5 million
	APTC	\$124.0 million	\$98.4 million
Projected APTC Savings			\$25.6 million
PTC Ratio			94.17%
Total PTC Savings			\$24.1 million
Exchange Fee Loss (3%)			(\$722,220)
Net Federal Funding			\$23.4 million

Impact of American Rescue Plan Act of 2021

- Changes the eligibility for APTC, temporary, effective 2021 and 2022

Income as % of FPL	Max Premium as % of Income	
	Original 2021	Rescue Plan 2021 and 2022
Less than 133%	2.07%	0.00%
133% up to 150%	3.10% - 4.14%	0.00%
150% up to 200%	4.14% - 6.52%	0.00% - 2.00%
200% up to 250%	6.52% - 8.33%	2.00% - 4.00%
250% up to 300%	8.33% - 9.83%	4.00% - 6.00%
300% up to 400%	9.83%	6.00% - 8.50%
400% and up	N/A	8.50%

- Eliminates the reconciliation of APTC to PTC, temporary, effective for 2020 (and maybe later)

Impact on 2021 Reinsurance Payment Percentage

Category	Application	CMS	Leif (no Rescue)	Leif (with Rescue, PTC Ratio 94.17%)	Leif (with Rescue, PTC Ratio 100%)
Federal Funding	\$32.9 million	\$22.7 million	\$23.4 million	\$25.6 million	\$27.1 million
State Funding	\$13.4 million		\$13.6 million	\$13.6 million	\$13.6 million
Total Funding	\$46.3 million		\$37.0 million	\$39.2 million	\$40.7 million
Reinsurance Claims @ 74%	\$46.3 million		\$38.0 million	\$38.0 million	\$38.0 million
(Shortfall)/Surplus @ 74%	\$0		(\$1.0 million)	\$1.2 million	\$2.7 million
Revised Reimbursement %		70.6%	71.9%	76.2%	79.3%

Reinsurance Claim Estimates

Year	Total Claims	Reinsured Claims*	Percent of Total Claims
2019 Actual	\$186.5 million	\$25.3 million	13.6%
2020 Actual	\$174.4 million	\$26.0 million	14.9%
2021 Projected	\$245.4 million	\$38.0 million	15.5%
2022 Projected	\$269.8 million	\$43.7 million	16.2%

* 74% of claims between \$60,000 and \$400,000

2022 APTC Projection

Item		Without Waiver	With Waiver (PTC Ratio = 94.17%)	With Waiver (PTC Ratio = 100%)
Enrollment	Receiving APTC	31,308	30,359	
Avg Premium PMPM	Gross	\$631.79	\$544.02	
	Actual	\$197.92	\$182.26	
	APTC	\$433.86	\$361.76	
Annual Premium	Gross	\$237.4 million	\$198.2 million	
	Actual	\$74.4 million	\$66.4 million	
	APTC	\$163.0 million	\$131.8 million	
Projected APTC Savings			\$31.2 million	\$31.2 million
PTC Ratio			94.17%	100.0%
Total PTC Savings			\$29.4 million	\$31.2 million
Exchange Fee Loss (2.25%)			(\$661,309)	(\$702,250)
Net Federal Funding			\$28.7 million	\$30.5 million

Estimated 2022 Reinsurance Payment Percentage

Based on percentage of claims between \$60,000 and \$400,000

Category	PTC Ratio = 94.17%	PTC Ratio = 100%
Federal Funding	\$28.7 million	\$30.5 million
State Funding	\$12.4 million	\$12.4 million
Total Funding	\$41.1 million	\$42.9 million
Reinsurance Claims	\$43.7 million	\$43.7 million
Reimbursement %	69.7%	72.7%