



# New Hampshire Insurance Department



1332 State Relief and  
Empowerment Waiver



New Hampshire's 1332  
Waiver Public Hearing

March 31, 2020 and April 2, 2020

# Agenda

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# Before We Get Started

- All lines have been muted.
  - There is no need to turn video on unless you would like to when asking a question or making a comment.
- If you are having a technical issue, please use the comment box to request help.
  - Please use the drop-down menu above the comment box to send your comment to Hargobind Khalsa.
- There will be 2 ways to make comments / ask questions during the public comment portion.
  - 1. Type it into the comment box – Please use the drop-down menu above the comment box to select to send your question or comment to “everyone”.
  - 2. Raise your hand – We will unmute your line and announce you so you may begin speaking. You may turn on your video if you want.

# Part 1: Background

**All Waiver Documents, Public Notices and Updates are posted on the  
NHID website**

<https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>

The NH Section 1332 State Relief and Empowerment Waiver is a joint effort between the New Hampshire Insurance Department (NHID) and the New Hampshire Health Plan (NHHP).



NHID: Commissioner Christopher Nicolopoulos  
Today's presenters:

- Deputy Commissioner Alex Feldvebel
- Director of Health Economics Tyler Brannen



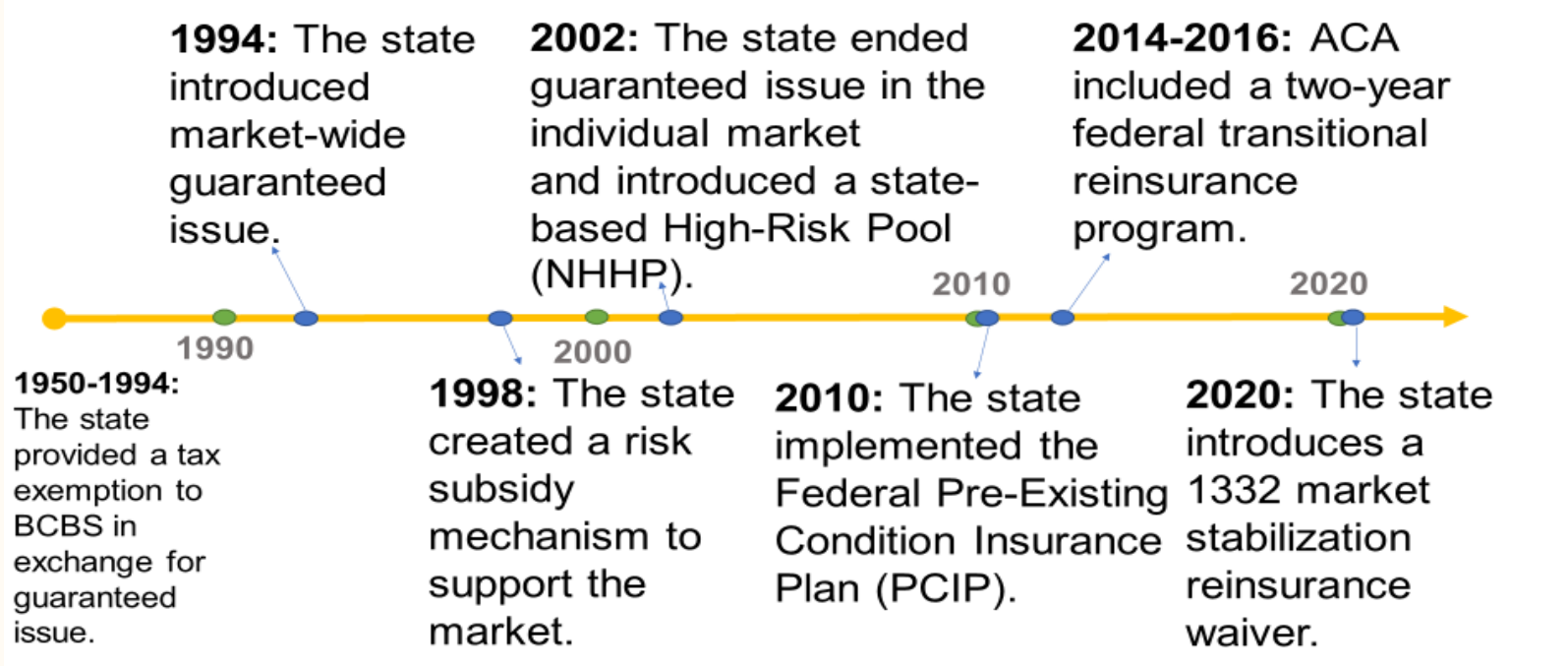
NHHP: Executive Director Michael Degnan

- NHHP is a statutorily-created nonprofit organization that ran the New Hampshire High Risk Pool.
- NHHP will be administering the NH Reinsurance Program.



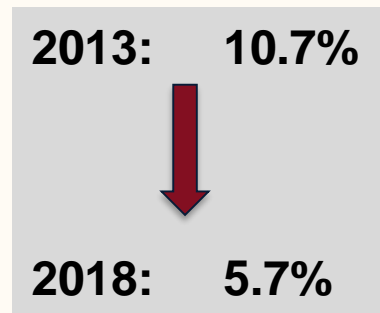
# Brief Overview of the NH Marketplace

New Hampshire has long had concerns about the health of the state's individual health insurance market and historically has utilized market stabilization mechanisms to reinforce the individual market:



# Brief Overview of the NH Marketplace

Since implementation of the Affordable Care Act (ACA) in 2014, the **uninsured rate in NH has dropped 5 percentage points.**



However, more recently, several factors have caused strain on NH's individual health insurance market specifically, including:

- The elimination of the individual mandate penalty.
- Lack of funding for Cost Sharing Reductions.
- Expanded access to Short Term Limited Duration Insurance and Association Health Plans.

# Brief Overview of the NH Marketplace

NH has experienced a drop in health insurers.

2015	2016	2017	2018	2019	2020
<u>5 Issuers</u>	<u>5 Issuers</u>	<u>4 Issuers</u>	<u>3 Issuers</u>	<u>3 Issuers</u>	<u>3 Issuers</u>
<ul style="list-style-type: none"> <li>• Anthem</li> <li>• ME CH Options</li> <li>• Harvard Pilgrim</li> <li>• Minuteman</li> <li>• Assurant</li> </ul>	<ul style="list-style-type: none"> <li>• Anthem</li> <li>• ME CH Options</li> <li>• Harvard Pilgrim</li> <li>• Minuteman</li> <li>• Assurant</li> </ul>	<ul style="list-style-type: none"> <li>• Anthem</li> <li>• Harvard Pilgrim</li> <li>• Minuteman (Celtic)</li> </ul>	<ul style="list-style-type: none"> <li>• Anthem</li> <li>• Harvard Pilgrim</li> <li>• Ambetter (Celtic)</li> </ul>	<ul style="list-style-type: none"> <li>• Anthem</li> <li>• Harvard Pilgrim</li> <li>• Ambetter (Celtic)</li> </ul>	<ul style="list-style-type: none"> <li>• Anthem</li> <li>• Harvard Pilgrim</li> <li>• Ambetter (Celtic)</li> </ul>

There has been a decline in unsubsidized enrollment.

- 2017: **25,000** individuals enrolled without premium assistance or **46%** of total commercial individual market enrollment
- 2019: **16,000** individuals enrolled without premium assistance or **35%** of total commercial individual market enrollment



The state budget trailer bill passed last fall (HB 4) required the NHID and NHHP to explore creating a risk stabilization program for the individual market.

## **RSA 404-G:12**

- Directs the NHID to work with NHHP to establish a market stabilization program for the individual market.
- Calls for the program to be administered by NHHP.
- Provides that the reinsurance program may be implemented *if* such waiver is approved by the federal government and the state's legislative Joint Health Reform Oversight Committee.

## **RSA 404-G:12 & RSA 420-N:6-a**

- Directs the NHID to apply for a Section 1332 Waiver if such action is supported by the recommendations of actuarial experts.



## What is a Section 1332 Waiver?

Under the ACA, states may apply for a **State Relief and Empowerment Waiver** (Section 1332 Waiver; formerly known as State Innovation Waiver).

A Section 1332 Waiver allows a state to use innovative strategies to address the unique circumstances in the state and ensure state residents have access to quality, affordable health insurance.

The state can be granted:

- Waivers from certain parts of the law
- Federal funding for their program via a “pass-through” of federal savings



NH is seeking a 5-year waiver of Section 1312(c)(1), starting in 2021, to allow for the implementation of a **state-based reinsurance program** funded in part with federal pass-through funding.

## **New Hampshire will demonstrate compliance with required waiver guardrails:**

**Comprehensiveness:** The waiver will not change the scope of benefits provided and will result in an increase in the number of individuals with coverage that meets the ACA's Essential Health Benefits requirements.

**Affordability:** The waiver will reduce premiums and not impact cost sharing.

**Scope of Coverage:** Under the waiver, more Granite Staters will enroll in coverage than would be covered absent the waiver.

**Federal Deficit:** The waiver will not result in increased spending or expenses to the federal government.

## Waiver Progress

NHID retained NovaRest Actuarial Consulting, which found that implementing a reinsurance program would result in both premium savings and increased enrollment.



NHID directed NHHP to develop a Reinsurance Plan of Operations. NHID and NHHP worked together to design the proposed reinsurance program.



The Commission on the Status of the Individual and Small Group Markets and the NHHP Board of Directors provided input into the waiver design.



The waiver draft application was developed and made public; the waiver will be submitted by NHID.

**All Waiver Documents, Public Notices and Updates are posted on the NHID website at: <https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>**

# Part 2: Waiver Program Overview

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# Reinsurance Program Design

The NH reinsurance program will reimburse health insurance carriers based on their share of high cost claims.

### Key Features:



Most individual market plans will be eligible to participate (excludes grandfathered and transitional plans).



Individuals will remain in their selected health plans and will see no change to their cost sharing, networks or benefits.



Target Reimbursement Amount for 2021: 74%

### What is a “high-cost claim”?

In 2021, claims between \$60,000 (attachment point) and approximately \$400,000 (target cap) would be eligible.



# Reinsurance Program Design

## Key Features, cont.:



Carriers will submit claims and be reimbursed based on their share of high cost claims the following year.



Carriers must develop rates based on expected reinsurance payments, providing relief in premium costs.



The state may amend the financial parameters annually.



Carriers must maintain and report care management programs.

The waiver program has two funding sources:

## State funding: Premium Assessment



- Applies across the health insurance market
- To be paid quarterly
- 0.6% of the prior year's Second Lowest Cost Silver Plan without-waiver rate

Estimated to be **\$13.5 million in 2021**

## Federal pass-through funding



- Based on Advance Premium Tax Credit savings

Estimated to be approximately  
**\$33 million in 2021**

The funding for the waiver program is set and will not increase based on costs. If necessary, the state will adjust the coinsurance rate and the cap to ensure payments match available funding.

By subsidizing the liability for high-cost claims, the reinsurance program will lower claims costs for carriers, which must be passed on in premium savings.

The program is expected to stabilize the market by:



- Lowering individual market projected rates by approximately 16% on average.
- Increasing enrollment of the individual market's unsubsidized population by approximately 6%.
- Making the market more attractive to existing and possible future issuers.

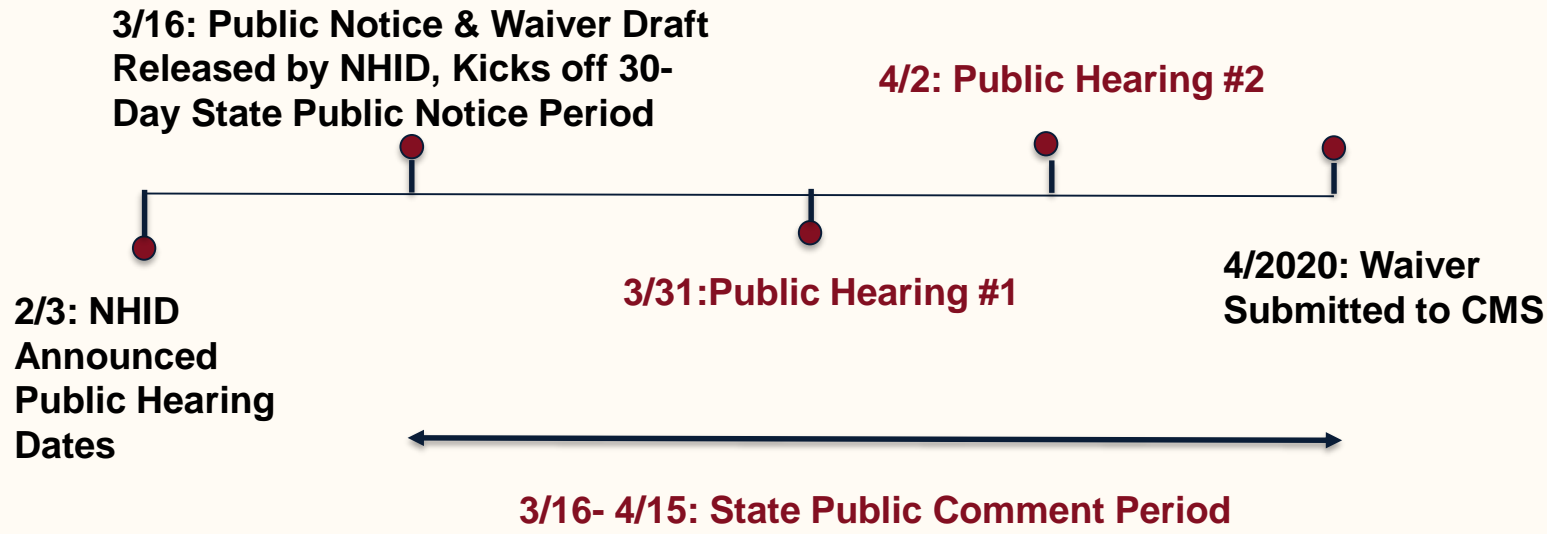
# Part 3: Public Comment Period

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# Public Notice & Comment Timeline

On March 16, 2020, the NHID commenced a public comment period for NH's proposed Section 1332 Waiver as required by the federal government.

## State Public Notice & Comment Timeline



# Submitting Comments

Public comments will be accepted and considered through April 15, 2020, and may be submitted:

- By participating in the public hearings
- Via email to: [section1332waiver@ins.nh.gov](mailto:section1332waiver@ins.nh.gov)
- Via mail to: New Hampshire Insurance Department, C/O Eireann Sibley, 21 S Fruit Street, Suite 14, Concord, NH, 03301

Questions regarding the Section 1332 Waiver may also be submitted via email to [section1332waiver@ins.nh.gov](mailto:section1332waiver@ins.nh.gov)



# Part 4: Next Steps

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# Waiver Submission & Review

## ***Submission to CMS, Review and Implementation Timeline:***



Interested parties may also submit comments to the federal Centers for Medicare and Medicaid Services and the federal Department of the Treasury once the waiver is filed, deemed complete and posted

at: [https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section\\_1332\\_State\\_Innovation\\_Waivers-](https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers-)



# Key Contacts

Contact	Title	Email
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Michael Degnan	NHHP Executive Director	JMDegnan@helmsco.com

# Part 5: Public Comment

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NHID invites attendees with comments on the New Hampshire Section 1332 Waiver and/or Plan of Operations to speak.

## Instructions to speak:

- Use the “**raise your hand**” option on the webinar.
  - We will unmute your line and announce you so you may begin speaking. You may turn on your video if you want.
- Alternatively, you may submit questions and comments into the **chat box** of the webinar.
  - Please use the drop-down menu above the comment box to select to send your question or comment to “everyone”.
  - If you insert a question, we will read and respond to the question.
- All comments will be recorded for the record.

# Thank You



## Contact Info:

New Hampshire Insurance Department  
21 Fruit Street, Suite #14  
Concord, NH 03301

Email: [section1332waiver@ins.nh.gov](mailto:section1332waiver@ins.nh.gov)

Phone: 603-271-2261

TTY/TDD Relay Services: 1 (800) 735-2964

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