



New Hampshire Reinsurance Program

Actuarial Work Group Meeting

03/09/2022

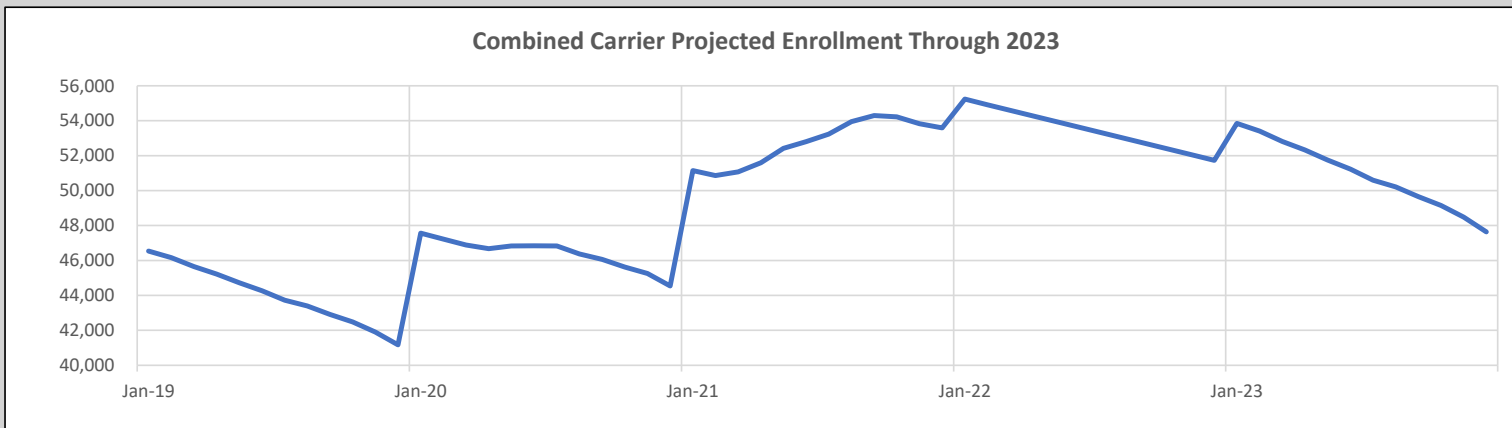
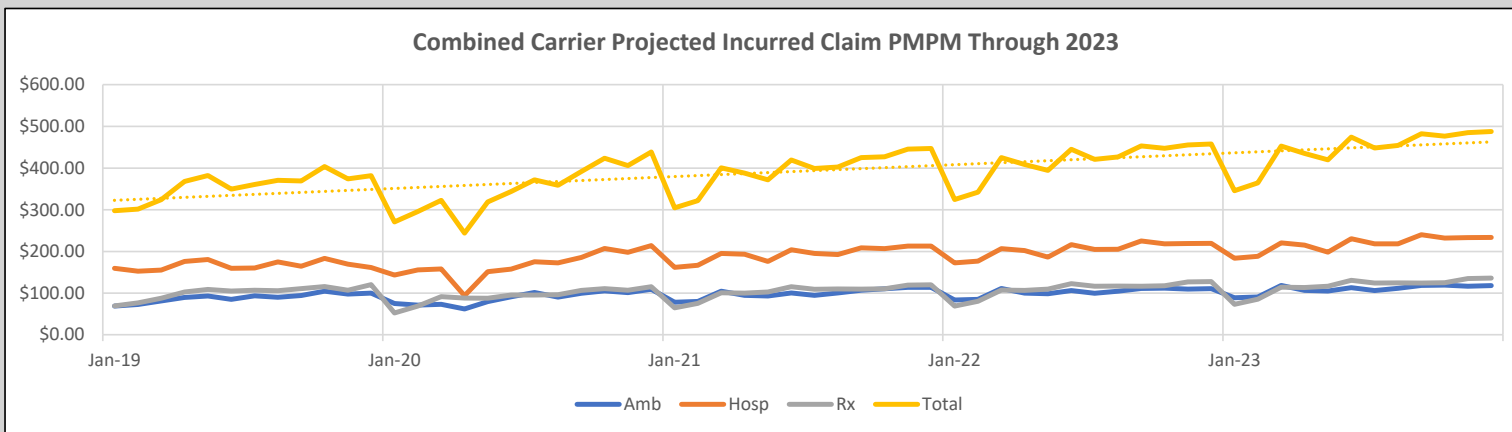
Changes Since Last Meeting

- Changed IBNR assumptions to reflect claim payment cut-off date of June rather than July
- Reviewed enrollment projections with insight into NHID January 2022 report of 50,730 on-Exchange enrollment
- Completed continuance tables
- Projected 2023 federal funding
- Developed proposed parameter formula
- Tested the sensitivity of assumptions

Summary of Assumptions

- Claims: 6.5% annual trend from 2021 to 2022 and again to 2023
- Enrollment:
 - 2022 – Expanded subsidies continue with normal open enrollment; pattern like 2020 without COVID bump
 - 2023 – Subsidies revert to pre-PHE levels with normal open enrollment; pattern like 2019
- Assumes no new legislation or executive orders to extend expanded subsidies expiring at end of 2022

Claim and Enrollment Projections



Continuance Table Findings

% of Claims \$60K to \$400K	Projected 2023 Reinsurance Claims	Percent of Total Claims
50%	\$31 million	11.6%
55%	\$34 million	12.7%
60%	\$38 million	13.9%
65%	\$41 million	15.1%
70%	\$44 million	16.2%
75%	\$47 million	17.4%
80%	\$50 million	18.5%

2023 Federal Funding Projection

Item		Without Waiver	With Waiver
Enrollment	Receiving APTC	30,000	29,000
Avg Premium PMPM	Gross	\$565.00	\$498.00
	Actual	\$196.00	\$191.00
	APTC	\$369.00	\$307.00
Annual Premium	Gross	\$202.6 million	\$172.6 million
	Actual	\$70.2 million	\$66.2 million
	APTC	\$132.4 million	\$106.4 million
Projected APTC Savings			\$26.0 million
PTC Ratio			94.17%
Total PTC Savings			\$24.5 million
Exchange Fee Loss (2.75%)			(\$674,000)
Net Federal Funding			\$23.8 million

Total Estimated 2023 Funding and Reinsurance Percentage

Category	Amount
Federal Funding	\$23.8 million
State Funding	\$12.5 million
Total Funding	\$36.3 million
Reinsurance Claims	\$36.3 million
Reimbursement % Of claims between \$60K and \$400K	58%
Percent of Projected Claims	13.4%

Sensitivity Testing

- **Medical trend** (annual 2021 to 2023)
 - 6.5% trend = 58.0% reimbursement (current assumption)
 - 5.5% trend = 59.9% reimbursement
 - 7.5% trend = 56.3% reimbursement
- **Enrollment change** (January 2022 to January 2023)
 - -2.5% = 58.0% reimbursement, \$36.3 million total funding (current assumption)
 - -1.5% = 57.8% reimbursement, \$36.6 million total funding
 - -3.5% = 58.2% reimbursement, \$36.1 million total funding
- **Threshold change**
 - \$60K to \$400K = 58.0% reimbursement (current assumption)
 - \$50K to \$400K = 50.3% reimbursement
 - \$60K to \$500K = 55.7% reimbursement
 - \$50K to \$500K = 48.6% reimbursement
- **Difference between SLCS with and without waiver** (market average)
 - 13.5% = 58.0% reimbursement, \$36.3 million total funding (current assumption)
 - 12.5% = 55.1% reimbursement, \$34.5 million total funding
 - 14.5% = 60.9% reimbursement, \$38.2 million total funding
 - 11.5% = 52.1% reimbursement, \$32.7 million total funding

Other Unknowns

- End of Public Health Emergency
 - Medicaid enrollees were allowed continuous coverage during the PHE
 - If PHE not extended, requalification could cause loss of Medicaid coverage
 - Some could enter ACA market
 - Current assumptions do not reflect an increase in ACA enrollment for this reason
- Extension of Expanded ACA Subsidies
 - Rescue Plan increased ACA subsidies for all income levels for 2021 and 2022
 - If Rescue Plan subsidies are extended beyond the end of 2022, federal funding could be much higher
 - Current assumptions assume a reversion to 2020 subsidy levels

Recommended 2023 Reinsurance Parameters

- Attachment Point: \$60,000
- Upper Limit: \$400,000
- Estimated Reinsurance Percentage: 58%
- Based on Estimated Combined State and Federal Funding: \$36.3 million