

New Hampshire Reinsurance Program

Actuarial Work Group Meeting

03/16/2023

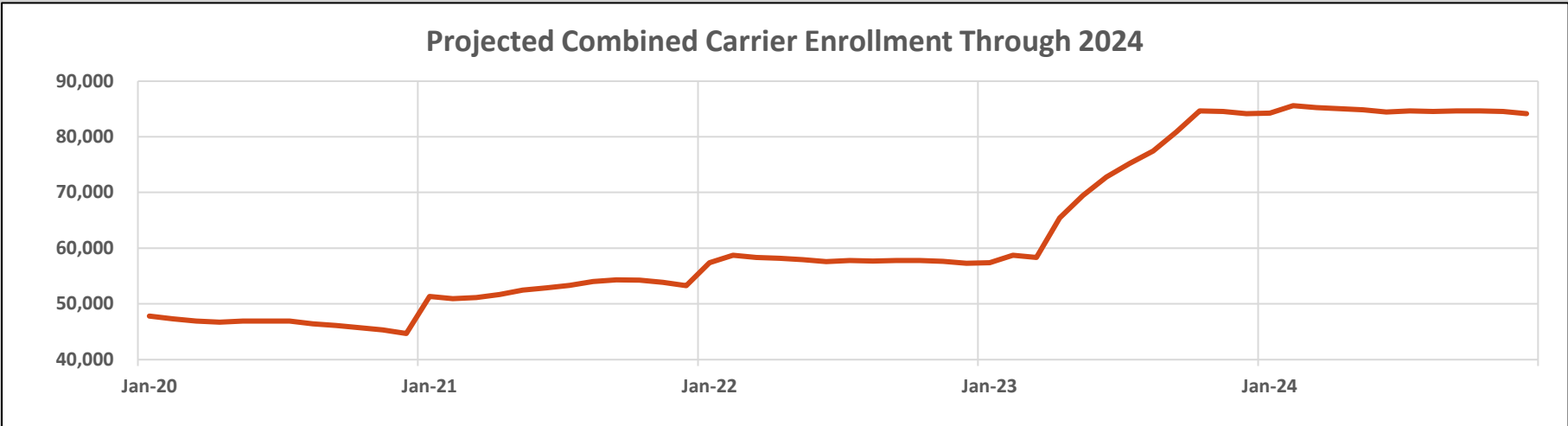
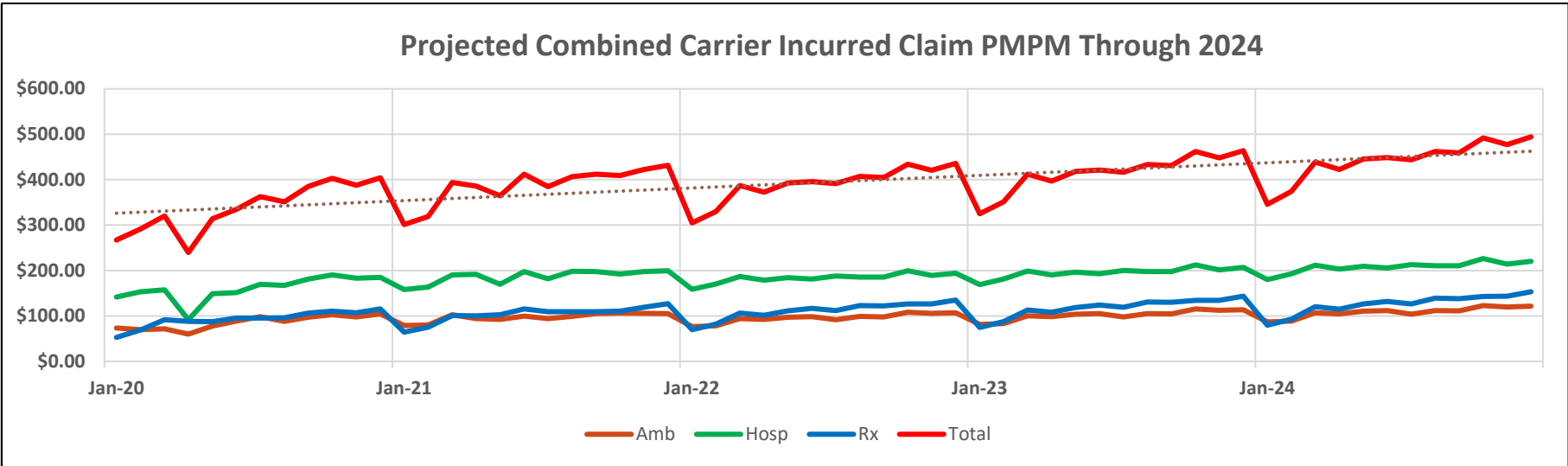
Changes Since Last Meeting

- Changed IBNR assumptions to reflect claim payment cut-off date of April rather than June
- Reviewed enrollment projections with insight into Medicaid unwind timing
- Completed continuance tables
- Projected 2024 federal funding
- Developed proposed parameter formula
- Tested the sensitivity of assumptions

Summary of Assumptions

- Claims: 6.5% annual trend from 2022 to 2023 and again to 2024
- Enrollment:
 - 2023 –Medicaid unwind assumptions:
 - Approximately 90,000 losing Medicaid are eligible for ACA
 - 30% (approximately 27,000) will enroll in ACA coverage
 - Enrollments will happen gradually in months April through October
 - 2024 – Enrollment will remain flat
- Assumes no new legislation or executive orders in 2023 or 2024

Claim and Enrollment Projections



Continuance Table Findings

% of Claims \$60K to \$400K	Projected 2024 Reinsurance Claims	Percent of Total Claims
40%	\$42 million	9.4%
45%	\$48 million	10.6%
50%	\$53 million	11.8%
55%	\$58 million	13.0%
60%	\$64 million	14.2%
65%	\$69 million	15.3%
70%	\$74 million	16.5%

2024 Federal Funding Projection

Item		Without Waiver	With Waiver
Enrollment	Receiving APTC	52,500	51,000
Avg Premium PMPM	Gross	\$633.00	\$557.00
	Actual	\$215.00	\$198.00
	APTC	\$418.00	\$360.00
Annual Premium	Gross	\$398.4 million	\$341.1 million
	Actual	\$135.1 million	\$121.0 million
	APTC	\$263.3 million	\$220.1 million
Projected APTC Savings			\$43.2 million
PTC Ratio			94.17%
Total PTC Savings			\$40.7 million
Exchange Fee Loss (2.50%)			(\$1,017,000)
Net Federal Funding			\$39.7 million

Total Estimated 2024 Funding and Reinsurance Percentage

Category	Amount
Federal Funding	\$39.6 million
State Funding	\$12.8 million
Total Funding	\$52.4 million
Reinsurance Claims	\$52.4 million
Reimbursement % Of claims between \$60K and \$400K	49.4%
Percent of Projected Claims	11.7%

Sensitivity Testing

- Medical trend (annual 2022 to 2024)
 - 6.5% trend = 49.4% reimbursement (current assumption)
 - 5.5% trend = 54.8% reimbursement
 - 7.5% trend = 44.9% reimbursement
- Medicaid Unwind (Percent of ACA eligibles who enroll)
 - 30% = 49.4% reimbursement, \$52.4 million total funding (current assumption)
 - 35% = 46.9% reimbursement, \$52.2 million total funding
 - 25% = 51.8% reimbursement, \$51.9 million total funding
 - 20% = 54.3% reimbursement, \$51.2 million total funding
- Threshold change
 - \$60K to \$400K = 49.4% reimbursement (current assumption)
 - \$50K to \$400K = 43.0% reimbursement
 - \$60K to \$500K = 47.7% reimbursement
 - \$50K to \$500K = 41.7% reimbursement

Recommended 2024 Reinsurance Parameters

- Attachment Point: \$60,000
- Upper Limit: \$400,000
- Estimated Reinsurance Percentage: 49%
- Based on Estimated Combined State and Federal Funding: \$52.4 million

Revised 2023 Funding Estimates

	Original 2023 Estimate	Revised 2023 Estimate (IRA)	Revised 2023 Estimate (Medicaid Unwind)
Projected Savings	\$26,037,675	\$30,288,315	\$39,152,506
PTC Ratio	94.17%	94.17%	94.17%
Total PTC	\$24,519,678	\$28,522,506	\$36,869,915
Exchange Fee %	2.75%	2.75%	2.75%
Exchange Fee Loss	(\$674,291)	(\$784,369)	(\$1,013,923)
Net Federal Funding	\$23,845,387	\$27,738,137	\$35,855,992
State Funding	\$12,500,000	\$12,272,000	\$12,272,000
Total Funding	\$36,345,387	\$40,010,137	\$48,127,992
Reinsurance % Payable	58.00%	63.85%	57.8%
Ceded Claims as % of Total	13.44%	14.79%	13.19%