

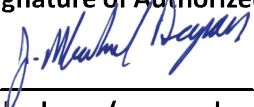
Section 1332 of the Patient Protection and Affordable Care Act (ACA) State Innovation Waivers – Reinsurance Waiver Annual Report

Reporting Instructions: Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on your specific terms and conditions (STCs), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked “if applicable,” please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft annual reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE: New Hampshire

A. GRANTEE INFORMATION		
1. Reporting Period End Date December 31, 2023	2. Report Due Date March 31, 2024	3. Report Submitted On (Date) March 28, 2024
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency SIWIW210017	6a. UEI Number R3KPBHAJZEF7	6b. EIN 02-0499340
7. Recipient Organization Name New Hampshire Individual Health Plan Benefit Association		
Address Line 1 One Pillsbury Street, Suite 200		
Address Line 2		
Address Line 3		
City Concord	State NH	ZIP Code 03301
ZIP Extension 3570	8. Grant Period Start Date January 1, 2021	9. Grant Period End Date December 31, 2025
10. Other Attachments (attach other documents as needed or as instructed by the awarding federal agency)		
2023 Carrier Care Management Reports (not being publicly posted for confidentiality reasons) Actuarial Report on 2024 Parameters		

Reinsurance Waiver Annual Report

B. REPORT CERTIFICATION
<p>11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.</p>
<p>11a. Typed or printed name and title of Authorized Certifying Official J. Michael Degnan, Executive Director</p>
<p>11b. Signature of Authorized Certifying Official </p>
<p>11c. Telephone (area code, number, and extension) (603) 223-6453</p>
<p>11d. Email address JMDegnan@helmsco.com</p>
<p>11e. Date report submitted (month/day/year) March 28, 2024</p>
C. PROGRESS OF SECTION 1332 WAIVER – <u>General</u>
<p>12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.</p> <p>Participating Carriers and Participation Requirements</p> <p>A new carrier entered the New Hampshire Reinsurance Program in 2023: Anthem Health Plans of New Hampshire (“Anthem”). Anthem has the same parent organization as Matthew Thornton Health Plan (a prior and continuing participating carrier) - Anthem Blue Cross and Blue Shield - but it is distinctly licensed. Anthem will be treated as a distinct carrier for Reinsurance Program payment determination purposes; and has its own distinct EDGE Server report.</p>
<p>13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails and plans for and results of associated corrective actions. If challenges were described in a prior annual report, only report on changes and/or updates, as appropriate.</p> <p>The biggest operational challenge faced in 2023 related to the expiration of the COVID-19 Public Health Emergency and the resulting Medicaid redeterminations. Because of the length of time allotted for enrollment decisions when losing Medicaid eligibility, this uncertainty has impacted both the 2023 and 2024 program years. NHHP worked with the New Hampshire Medicaid Director to estimate the change in Medicaid enrollment and the potential for enrollment into individual insurance products. New Hampshire estimated that it would reduce Medicaid enrollment by over 35,000 members. Based on data provided by the Medicaid Director, NHHP estimated that 25% to 35% of these former Medicaid recipients would enroll in individual health insurance. This would have implications for both Pass-through Funding and eligible claims volume.</p>

Reinsurance Waiver Annual Report

D. PROGRESS OF SECTION 1332 WAIVER – <u>State-Specific</u>		
14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1). Please report data for the full plan year unless otherwise specified; if information for the full plan year is not available, please provide the most complete responses possible and specify the timeframe covered.		
	Value	Comments (if applicable)
a. Projected and actual individual market enrollment (total annual member months) on the Exchange in the state for the plan year.	Projected 2023 member months: 515,760	Projected member months were calculated by Leif Associates jointly for on- and off-Exchange enrollment. At
b. Projected and actual individual market enrollment (total annual member months) off the Exchange in the state for the plan year.	Projected 2023 member months: 95,328	Projected member months were calculated by Leif Associates jointly for on- and off-Exchange enrollment. At
c. Projected and actual individual market total annual collected premiums on the Exchange for the plan year. Projected and actual individual market average premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected total 2023 premiums: \$241,684,597 Actual total 2023 premiums: \$290,464,579 Projected 2023	Projected total premiums were calculated by Leif Associates jointly for on- and off-Exchange plans. At the direction of CMS, we have determined the on- and off-Exchange portions of the projection based on the 2022 market breakdown. Going
d. Projected and actual individual market total annual collected premiums off the Exchange for the plan year. Projected and actual individual market average premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected total 2023 premiums: \$44,621,560 Actual total 2023 premiums: \$63,922,374 Projected 2023	Projected total premiums were calculated by Leif Associates jointly for on- and off-Exchange plans. At the direction of CMS, we have determined the on- and off-Exchange portions of the projection based on the 2022 market breakdown. Going
e. Actual Second-Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year-old non-smoker) in each rating area for the plan year.	\$322.70	
f. Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year-old non-smoker) in each rating area for the plan year.	\$372.63	

Reinsurance Waiver Annual Report

g. For states with State-based Exchanges: actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year.		
h. For states with State-based Exchanges: actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.		

Reinsurance Waiver Annual Report

15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.

The waiver does not impact scope of benefits or EHB. The waiver does not result in any plan changes or changes to the New Hampshire EHB benchmark plan. It reimburses carriers for high-cost claims (within set parameters), resulting in premium savings.

16. Describe any technical changes to the state’s waiver plan during the plan year, including but not limited to: changes to the funding level the program will be operating at for the next plan year; changes to the approved payment parameters for reinsurance program reimbursement (if there were no changes, please still describe the final parameters); changes to eligibility criteria for enrollees' claims to be reimbursed under the reinsurance program.

In 2023, New Hampshire made the first payment to eligible carriers using the new payment calculation process that was based solely on the final EDGE Server reports, as described above. This process went well and was well accepted by the participating carriers, and will be continued for program year 2023 and beyond.

Following the confirmation of all 2022 claims in comparison to program funding, the final Program

17. Describe any changes in state law or regulation that might impact the waiver and the date(s) these changes occurred or are expected to occur.

The only state law change that impacted the waiver was the statutory change to the state assessment that helps to fund the program. NHID worked with the legislature during the 2023 legislative session to rewrite New Hampshire RSA 404-G relative to stabilizing the health insurance market. The legislation updated the statute by removing all outdated language, including language relative to the state’s prior high-risk pool and risk-sharing program. The revisions also amend other provisions to more accurately reflect the organization’s purpose and operations, including clarifying

18. Report on spending for the plan year. If information for the full plan year is not available, please provide the most complete responses possible and specify the timeframe covered.

	Value	Comments (if applicable)
a. Amount of federal pass-through funding spent on individual claim payments to issuers from the reinsurance program for the plan year.	\$32,044,828	The 2023 reinsurance payments will be made in Quarter 3 of 2024 so no
b. Amount of federal pass-through funding spent on operation of the reinsurance program (e.g., administrative costs, EDGE server fees, etc.) for the plan year.	None	All program operating costs are paid from state funds.
c. Amount of any unspent balance of federal pass-through funding for the plan year.	None	The 2023 reinsurance payments will be made in Quarter 3 of 2024 so no
d. Amount of state funding contributed to fully fund the program for the plan year.	\$13,094,157	These funds paid all program year operation costs (\$320,596) and a Board

Reinsurance Waiver Annual Report

<p>19. If applicable, provide a claims breakout at an aggregate level for the top five conditions or cost drivers of the five conditions, including settings of care in the individual market.</p> <p>This question is not applicable to the New Hampshire program because the program utilizes a traditional, attachment point model, and does not make payments based on medical conditions. As a result, New Hampshire does not collect this information and is not required to report it under the</p>		
<p>20. If applicable, report on any strategies or incentives for providers, enrollees, and plan issuers to continue managing health care cost, claims, and utilization for individuals eligible for reinsurance.</p> <p>The State collects descriptions of participating carriers' care management programs. These submissions are requested to demonstrate the carriers' ability to identify and help manage the care of potential higher cost claimants to ensure the appropriateness of health care services delivered.</p>		
<p>21. If applicable, report any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high-cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high-cost risk adjustment program.</p>		
	Value	Comments (if applicable)
a. Reinsurance payment (before reconciliation) for high-cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool.	N/A	New Hampshire's reinsurance parameters do not overlap with the parameters for the HHS Risk Adjustment Program.
b. Risk adjustment amount paid by HHS for those claims.	N/A	New Hampshire's reinsurance parameters do not overlap with the parameters for the HHS Risk Adjustment Program.
c. Reinsurance reconciliation (or true-up) amount applied.	N/A	New Hampshire's reinsurance parameters do not overlap with the parameters for the HHS Risk Adjustment Program.
E. POST-AWARD FORUM		
<p>22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?</p> <p><input checked="" type="radio"/> Yes</p> <p><input type="radio"/> No</p>		
<p>23. State website address where Post-Award Forum was advertised and where the Annual Report is posted. In addition, please ensure prior years' Annual Reports are posted on the state's website.</p> <p>New Hampshire's public notice containing the date and time of the Forum and information about how to access the Forum webinar was posted on:</p> <p>- NHHP Website:</p>		

Reinsurance Waiver Annual Report

<p>24. Date Post-Award Forum took place: June 15, 2023, 10:00am</p>
<p>25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received, number of participants in the forum, and actions taken in response to concerns or comments. The Post-Award Forum was held in accordance with 42 CFR §155.1320(c). As noted above, the Forum was held in a hybrid format, so attendees were able to join either in-person or via Microsoft Teams webinar. The Forum was structured to allow members of the public to receive updates, ask</p>
<p>26. Other Attachments (attach other documents as needed pertaining to Post-Award Forum) Forum PowerPoint Forum Recording - https://www.youtube.com/watch?v=1PPuEdd7gKI Notice</p>
F. STATE INTERNAL IMPLEMENTATION REVIEW – ATTESTATION
<p>27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).</p> <p><input checked="" type="radio"/> Yes <input type="radio"/> No</p>
<p>28. Describe the state's implementation review process. NHHP implements and manages the New Hampshire Reinsurance Program. NHHP is a non-profit organization with a Board of Directors that provides oversight of the Reinsurance Program. The Board includes representatives from carriers - including each of the carriers that qualify as eligible carriers in the Reinsurance Program - a representative of healthcare providers, a representative of</p>



New Hampshire Market Stabilization Program 2024 Reinsurance Parameter Development

March 2023

Presented by:
Leif Associates, Inc.
3401 Quebec St, Ste 5015
Denver, CO 80207
Ph: (303) 294-0994
www.leif.net



Table of Contents

Introduction	1
Executive Summary.....	1
The NH Market Stabilization Program	1
Development of 2024 Reinsurance Parameters	2
Data Sources	2
Claim Adjustments	3
Trend Assumptions	3
Aggregate 2023 and 2024 Claim and Enrollment Projections	5
Continuance Table Development	5
Funding Estimates – State Funding.....	5
How Federal Pass-Through Funding is Calculated	6
Estimate of Federal Pass-Through Funding for 2024.....	6
Sensitivity Testing	7
Proposed Reinsurance Program Parameters 2024.....	7
Actuarial Work Group	8
About This Study	8





Introduction

Leif Associates was engaged by the New Hampshire Health Plan (NHHP) to develop reinsurance parameters for the New Hampshire Market Stabilization Program for calendar year 2024. The purpose of this document is to present the proposed 2024 reinsurance parameters, along with detailed information regarding the data, methodology, and assumptions used to develop the parameters.

Executive Summary

Based on assumptions that are documented in this report, our projections show that funding and reinsurance claims in 2024 will be as follows:

Category	Low Estimate
Federal Funding	\$39.6 million
State Funding	\$12.8 million
Total Funding	\$52.4 million

The projections show that reinsurance claims are expected to match the projected funding if the reinsurance parameters are set with a floor of \$60,000, a cap of \$400,000, and a coinsurance percentage of 49% between the floor and the cap.

The NH Market Stabilization Program

The state of New Hampshire operates the New Hampshire Market Stabilization Program in accordance with a State Innovation Waiver under section 1332 of the Patient Protection and Affordable care Act (PPACA). The program operates like a traditional, claims-based attachment point reinsurance program by reimbursing qualifying individual health insurers for a percentage of an enrollee's claims costs exceeding a specified threshold up to a specified ceiling. The program was approved by the U.S. Department of Health and Human Services and the U.S. Department of the Treasury for up to five years, beginning with plan year 2021.

The New Hampshire 1332 waiver reinsurance program works in the following manner:

- The program provides payments to health insurers in the individual market to help offset the costs of enrollees with large medical claims, based on a reinsurance formula structured with a coinsurance percentage between a predetermined floor and cap of claim dollars.
- The insurers pass the subsidy on to consumers, resulting in an overall reduction in premiums.
- Individuals with income below a certain threshold purchasing health insurance coverage receive premium tax credits that cap the amount they must pay for coverage at a percentage of their income.



New Hampshire Market Stabilization Program 2024 Reinsurance Parameter Development

- The federal government covers the cost of the tax credit. Thus, when the premiums are reduced because of the reinsurance program, it is the federal government that benefits from the lower premium for persons eligible for tax credits.
- The 1332 Waiver program allows the state to recapture the savings that would otherwise go to the federal government. The state is able to receive “pass-through” payments equal to the amount of the savings.
- The amount of the pass-through funding represents the amount of premium tax credits the federal government would have provided to the state’s residents if the reinsurance program did not exist, minus the actual reduced federal tax credits with the reinsurance program in place.
- The state uses the pass-through payments to help fund the reinsurance payments to insurers.
- Additional funding for the program comes from an assessment on writers of health insurance calculated as 0.6% of the prior plan year second lowest cost silver plan premiums for a 40-year-old nonsmoker purchasing on the New Hampshire Marketplace (without waiver). This equated to \$2.43 per member per month for calendar year 2021, \$2.32 for 2022, and \$2.15 for 2023.

Development of 2024 Reinsurance Parameters

The combined amount of projected funding from the federal pass-through dollars and the carrier assessment must be enough to cover the amount of projected reinsurance claim reimbursements plus the program’s projected administrative costs.

Data Sources

Three insurance carriers participate in the New Hampshire individual insurance market: Anthem, Centene, and Harvard Pilgrim. Leif Associates requested the following data from the carriers: Membership, premium, and claim data for all members in ACA-compliant individual plans covered at any time during the period 1/1/2020 through 12/31/2022. The data was also to include the HIOS ID, plan variant codes, and rating demographic information to allow identification of a member’s premium before and after the application of Advance Premium Tax Credit (APTC). We requested the data be provided by mid-January 2023.

All data was received from the carriers as requested and analyzed for reasonableness and completeness. All questions about the interpretation and comparability of the carrier data were successfully resolved. The data was then combined to create a statewide summary of membership and claims in the New Hampshire individual insurance market in 2020, 2021, and 2022.

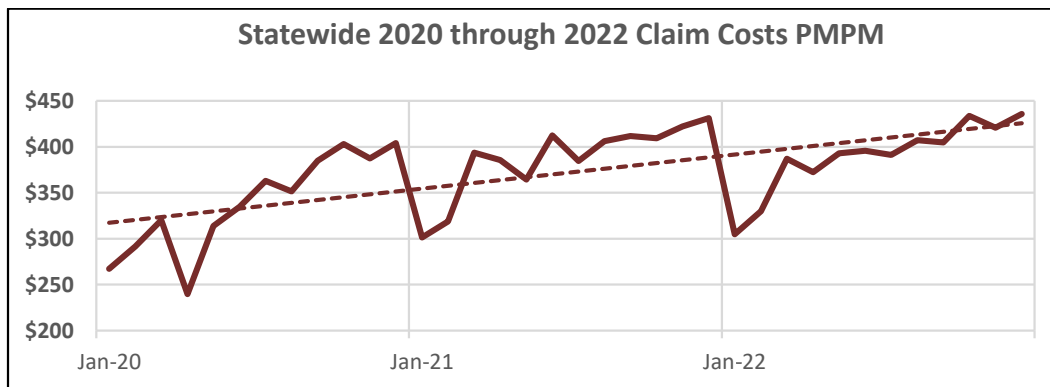
Year	Member Months	Unadjusted Claim Dollars
2020	557,607	\$193.5 million
2021	633,346	\$249.6 million
2022	694,169	\$245.1 million
Combined	1.9 million	\$688.2 million



Claim Adjustments

Three specific adjustments were considered in evaluating the suitability of the historical claim experience as the basis for 2024 projections:

- **Incomplete claims.** Because of the timing of the study, we were unable to examine any claims incurred during 2022 that were paid after December 31. To provide an estimate of claims that were outstanding at the end of 2022, we created lag charts separately for ambulatory, hospital, and pharmacy claims. Based on these lag charts, we developed completion factors for each service type. We then combined the lag charts to provide an estimate of statewide ultimate incurred claims for the three-year historical period.
- **April claim cutoff.** The Program's Plan of Operation (as amended) specifies that claims incurred in a particular plan year must be paid by the carrier on or before four months following the end of the year in which the claims were incurred in order to be covered under the Program. We used the 2020 and 2021 claim runout patterns to model the impact of 2022 claim cutoff on April 30, 2023. We found that the impact was small, reducing incurred claims by an average of only 1.2%.
- **Impact of COVID-19.** In analyzing the per member per month incurred claims, we observed a definite dip in the claims in the first half of 2020 followed by an upswing in the second half of the year. The 2021 claims were still somewhat erratic and higher than expected. The 2022 claims appear to follow a more normal pattern. We dealt with these distortions by basing our projections on the 2022 data.



Trend Assumptions

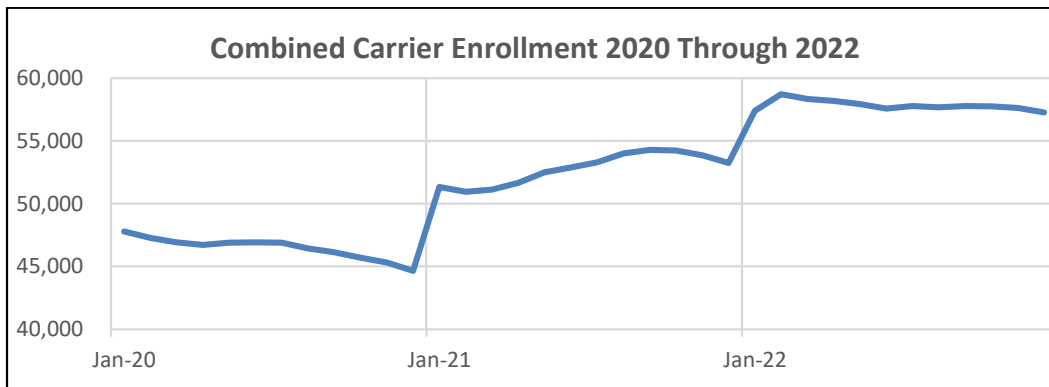
Trends for claims and enrollment were chosen based on observed historical trends adjusted for known external changes.

- **Claim trends.** Although the 2020 and 2021 claims showed unusual patterns within those years, we observed that the overall trend from calendar year 2020 to 2022 equated to an average 7.4% annual trend. Recognizing that this might be slightly exaggerated due to foregone care in 2020, we chose a slightly lower annual trend of 6.5% and used 2022 as the base for projecting 2023 and 2024.

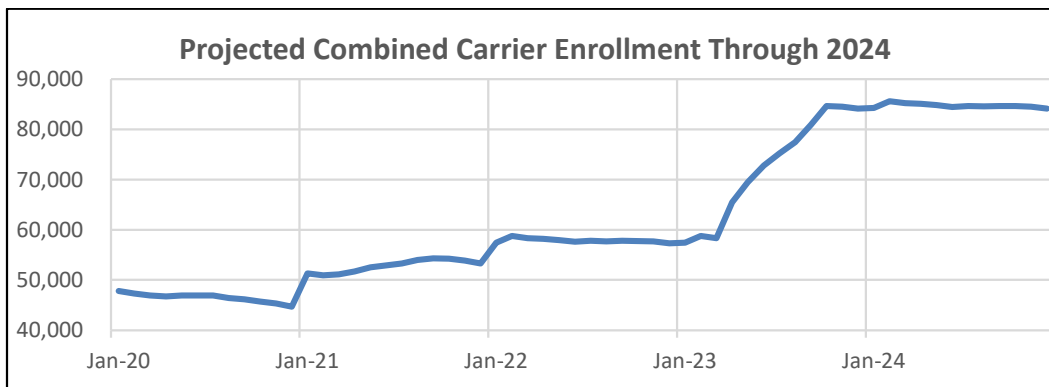


New Hampshire Market Stabilization Program 2024 Reinsurance Parameter Development

- **Enrollment trends.** Enrollment in individual plans typically shows a pattern of being highest in January and then dropping throughout the year, increasing again the following January. While 2020 showed this typical pattern although somewhat flatter than usual, 2021 and 2022 both showed unusual patterns, as can be seen in the following graph. In 2021, the American Rescue Plan Act expanded rate subsidies to all income levels and extended open enrollment into August, leading to expanded enrollment and an elongated growth pattern. In 2022, the expanded rate subsidies continued and open enrollment allowed for enrollments with February effective dates, leading to the unusual bump up early in the year, followed by a flattening once open enrollment was closed.



These enrollment patterns are expected to be upended once again in 2023 due to Public Health Emergency delayed Medicaid redeterminations which are beginning in March 2023 and will continue through much of the rest of the year. During this process, it is expected that approximately 90,000 individuals will lose Medicaid coverage and subsequently be eligible for marketplace coverage. Not all of those individuals will seek coverage through the individual market, but it is expected that approximately 30% (or 27,000) will do so. Based on projections of how many redeterminations will occur month-by-month during the remainder of the year, we projected the individual market enrollment to change in 2023 as shown in the following chart, followed by a flattening in 2024. We assumed the new enrollees would have similar claim expenses to the existing individual marketplace.





New Hampshire Market Stabilization Program 2024 Reinsurance Parameter Development

Aggregate 2023 and 2024 Claim and Enrollment Projections

Based on the assumptions described above, we developed 2023 and 2024 claim and enrollment projections. The table below provides a summary of the historical and projected claim and enrollment.

	Year	Member Months	Incurred Claim Dollars	Incurred Claims PMPM
Historical	2020	557,607	\$188.3 million	\$337.67
	2021	633,346	\$245.4 million	\$387.47
	2022	694,169	\$270.4 million	\$389.54
Projected	2023	868,956	\$364.7 million	\$419.75
	2024	1,016,614	\$449.2 million	\$441.85

Continuance Table Development

Continuance tables are commonly used in health insurance calculations to show the probability that a claim for an individual will reach a certain dollar amount during a plan year. In evaluating the impact of various reinsurance formulas, continuance tables are the tool used to determine the amount of reinsurance claims that will be reimbursable under a specific formula.

We developed a continuance table based on the 2022 aggregate claims with four months of runout. The table was projected to 2024 to increase the total claims and member months to the aggregate projected amounts.

Funding Estimates – State Funding

State funding comes from an assessment on writers of health insurance calculated as 0.6% of the prior plan year second lowest cost silver plan premiums for a 40-year-old nonsmoker purchasing on the New Hampshire Marketplace on a per member per month basis (assuming no waiver). The funding available to the reinsurance program is equal to the assessment amount, reduced by an amount for administrative expenses. The projected state funding available for the reinsurance program in 2024 is shown in the table below. The estimated life estimate, contingency, and expense estimates were provided by NHHP.

	Projected 2024
Second lowest silver premium	\$372.63
60 basis points	0.006
Assessment per member per month	\$2.24
Estimated life estimate	490,000
Gross assessment	\$13,171,000
Less expenses	(\$400,000)
State funding	\$12,771,000



How Federal Pass-Through Funding is Calculated

The calculation of the amount of pass-through federal funding is based on a formula established by CMS that requires the following pieces of information:

- The number of individuals who are eligible to receive Advance Premium Tax Credits (APTC) with the waiver in place.
- The number of individuals who would have been eligible to receive APTC if the waiver were not in place.
- The average premium the APTC-eligible individuals would have paid if they weren't eligible for APTC, both with and without the waiver.
- The average premium the APTC-eligible individuals actually paid after application of the APTC, both with and without the waiver.

The formula then calculates the aggregate difference between the amount of APTC with and without the waiver, and this represents the gross federal savings from the program. Two adjustments are made to the savings amount:

- The ratio of Premium Tax Credits (PTC) to APTC. The IRS calculates actual premium tax credits at the end of the year, which in the aggregate has typically been somewhat less than the APTC. The ratio is used to reduce the state's pass-through funding amount.
- Exchange fee losses. The federal government collects exchange fees based on a percentage of premium. When the premium is reduced due to the waiver, they lose an amount equal to the exchange fee percentage on the savings. This amount is reduced from the state's pass-through funding amount.

Estimate of Federal Pass-Through Funding for 2024

With the premium information provided by the carriers, we created a distribution of insured individuals by age and income. This allowed us to estimate the number of individuals who would be eligible for APTC at various premium levels and ages.

In order to perform these calculations, we needed to make an assumption regarding how the premium would change from 2023 to 2024. Because we used a 6.5% trend assumption for the claims, we made a similar assumption with regard to premium, based on the theory that rate changes would closely follow claim trend. We also assumed that the difference in carrier rates between with and without waiver scenarios would be 11.7%.

The PTC Ratio used in the calculations is 94.17% for 2024, assuming that reconciliation will occur. This percentage was provided by CMS, based on the actual PTC ratio in 2018. The table below shows the 2024 federal pass-through funding projection.



New Hampshire Market Stabilization Program 2024 Reinsurance Parameter Development

Item		Without Waiver	With Waiver
Enrollment	Receiving APTC	52,500	51,000
Average Premium PMPM	Without APTC	\$633.00	\$557.00
	With APTC	\$215.00	\$198.00
	Difference = APTC	\$418.00	\$360.00
Annual Premium	Without APTC	\$398.4 million	\$341.1 million
	With APTC	\$135.1 million	\$121.0 million
	Difference = APTC	\$263.3 million	\$220.1 million
Projected APTC Savings			\$43.2 million
PTC Ratio			94.17%
Total PTC Savings			\$40.6 million
Exchange Fee Loss (2.75%)			(\$1,017,000)
Net Federal Funding			\$39.6 million

Sensitivity Testing

As part of our analysis, we performed sensitivity testing on the claim trend, Medicaid unwind take-up rate, and reinsurance threshold. We tested the claim trend in the range of $\pm 1\%$ from the chosen assumption of 6.5%. We tested the Medicaid unwind take-up rate in the range of 0% to 35%. We tested a variety of threshold changes in the range of \$50K to \$500K.

We found that variations in the claim trend could change the projected 49% reinsurance reimbursement percentage within a range from 45% to 55%. The Medicaid unwind take-up variations were found to move the projected 49% reinsurance reimbursement up to 66.5% if there is no take-up. The threshold change at \$50K to \$500K would move the reimbursement percentage to 41.7%.

Proposed Reinsurance Program Parameters 2024

Based on the assumptions and calculations described above, total funding for the reinsurance program is projected to be \$52.4 million. Holding the floor and ceiling at \$60,000 and \$400,000 for 2024, the coinsurance percentage would need to be set at 49% to match the available funding.

Category	Projected 2024
Federal Funding	\$39.6 million
State Funding	\$12.8 million
Total Funding	\$52.4 million
Reimbursement % Needed to Match Funding	49%



Actuarial Work Group

An actuarial work group met to provide advice and assistance during the development of the 2023 reinsurance parameters. It consisted of actuarial representatives from Anthem, Centene, and Harvard Pilgrim, as well as representatives from NHHP, and the Leif Associates actuaries.

The group held several meetings:

- December 13, 2022. The group discussed data needs and the timeline for data submission and parameter development.
- February 16, 2023. Leif Associates presented feedback on the data collection and aggregation, discussed trend assumptions, special adjustments, and the aggregate claim and enrollment projections. The group was asked for input about assumptions, including the impact of Medicaid unwinding.
- March 16, 2023. Leif Associates presented the proposed parameter formula with supporting information and responded to carrier questions. The carriers were polled to confirm their agreement to submit the proposed formula to the NHHP Board of Directors for approval. All three carriers indicated their support.

Subsequently, the NHHP Board of Directors met on March 23, 2023 and approved the recommendation.

About This Study

This study was performed by Leif Associates actuaries Elizabeth Leif, Nicholas Ramey, and Clair Christofersen. All are members of the American Academy of Actuaries and meet the qualification standards of that organization to conduct the study that is documented in this report.

We would like to acknowledge the cooperation and responsiveness of Anthem, Centene, and Harvard Pilgrim in providing the data we requested and for their participation in the Actuarial Work Group during the project. Their contributions were essential to the completion of the project.

This study includes projections of future results that are based on numerous assumptions that we believe are reasonable but may ultimately be influenced by factors of which we are unaware. As such, they represent our best estimates at this time.

In performing this study, we relied upon enrollment, revenue and claim data provided by Anthem, Centene, and Harvard Pilgrim Health Care. We evaluated the data for reasonableness and consistency but did not perform audits to confirm its accuracy.

Leif Associates has no relationship with the New Hampshire Reinsurance Program, Anthem, Centene, Harvard Pilgrim Health Care, or any person or company associated with the Program that would have impaired the objectivity of our work.

**NOTICE
ANNUAL PUBLIC FORUM
SECTION 1332 WAIVER AND REINSURANCE PROGRAM**

Pursuant to Federal requirements, New Hampshire Health Plan will hold a public forum for members of the public and interested stakeholders to get information about the progress of the State's Section 1332 Waiver and New Hampshire Reinsurance Program and to ask questions and offer comments.

The public forum shall be held on:

**Thursday, June 15th, 2023, 10am
Location: Walker Building, Room 100
21 S Fruit Street
Concord, NH 03301**

**To join remotely, click [here](#) or visit <https://bit.ly/3AvOnIR>
You can join by phone by dialing +1 512-879-3792,149921176# or (866) 619-5581,149921176# US
(Toll-free) (Phone Conference ID: 149 921 176#)**

Anyone experiencing technical issues accessing the forum via Teams should contact Rhea Lieber at (347) 952-5008 or rlieber@pcgus.com for assistance.

During the forum, New Hampshire Health Plan will present information about the progress of the Section 1332 Waiver and the New Hampshire Reinsurance Program. Those participating in the webinar will have the opportunity to ask questions and offer comments. The forum will be recorded and the recording as well as the presentation will be posted at <https://www.nhhp.org/historical-governance-documents/governance-documents-nh-reinsurance-program> and <https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>. Those who view the recording may submit written comments or questions by June 30, 2023 to rlieber@pcgus.com or to New Hampshire Health Plan, C/O Michael Degnan, Helms & Company, Inc., 1 Pillsbury Street, Suite 200, Concord, NH 03301.

On August 5, 2020, the United States Departments of Health and Human Services and Treasury approved New Hampshire's Section 1332 State Relief and Empowerment Waiver for a state-based reinsurance program. The New Hampshire Reinsurance Program was proposed pursuant to New Hampshire RSA 404-G:12 and New Hampshire RSA 420-N:6-a, and the program and the waiver went into effect on January 1, 2021. The program reimburses insurers based on their liability for high-cost claims in the state's individual health insurance market. The program complies with all federal statutory requirements for Section 1332 Waivers related to comprehensiveness and affordability of coverage, access to coverage and federal spending. Via the Section 1332 Waiver, federal funding is being provided to support the program in addition to a state insurance assessment.

Over \$58 million in federal funding for the program was leveraged in the first two years of the program (2021 and 2022), which is more than double the state funding for those years. In 2023, federal funding will total over \$32 million, more than two and a half times the state funding for this year. As a result of these investments, premiums for the 2023 Second Lowest Cost Silver Plan in the New Hampshire Marketplace were reduced by 13%.

This is New Hampshire Health Plan's third annual public forum to discuss the progress of the Section 1332 Waiver and New Hampshire Reinsurance Program and to receive to public questions, concerns, and comments.

More information about New Hampshire's Section 1332 Waiver and the New Hampshire Reinsurance Program is available at <https://www.nhnp.org/historical-governance-documents/governance-documents-nh-reinsurance-program> and <https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>.

People who require special accommodations, auxiliary aids or service, alternative communication formats or language access support in order to participate in the process, including those with disabilities or limited English proficiency, should contact Rhea Lieber at (347) 952-5008 or rlieber@pcgus.com no later than May 31, 2023 to ensure any necessary accommodations can be provided.

2023
Post-Award
Forum



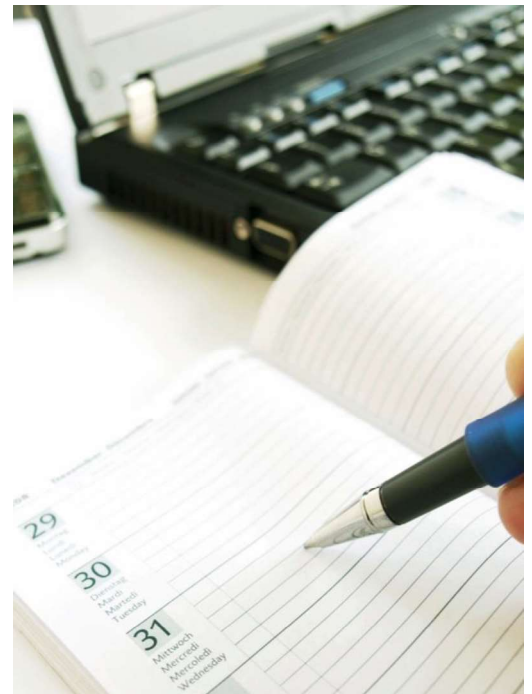
SECTION 1332
STATE INNOVATION /
STATE RELIEF AND
EMPOWERMENT
WAIVER

NEW HAMPSHIRE
REINSURANCE PROGRAM

JUNE 15, 2023

AGENDA

Slide	Number
About the Forum & Logistics	2-5
Introductions & Background	6-10
Program Year 2023 Updates	11-17
Program Year 2024 Planning	18-20
Other Updates & Next Steps	21
Questions & Comments	22
Key Contacts	23



PUBLIC FORUM

New Hampshire Health Plan (NHHP) is holding this annual public forum to share information about the progress of New Hampshire's Section 1332 Waiver and the New Hampshire Reinsurance Program and to receive public questions and comments.

A recording of this forum, as well as the PowerPoint, will be posted by NHHP and NHID following the event.



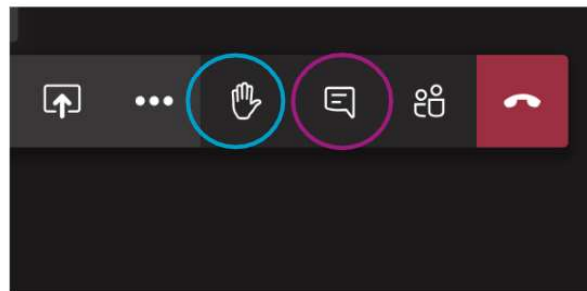
LOGISTICS FOR VIRTUAL ATTENDEES

- ✓ Keep audio on mute.
- ✓ Keep camera turned off.



To ask a question:

- ✓ Raise your hand
- or
- ✓ Enter it into the chat



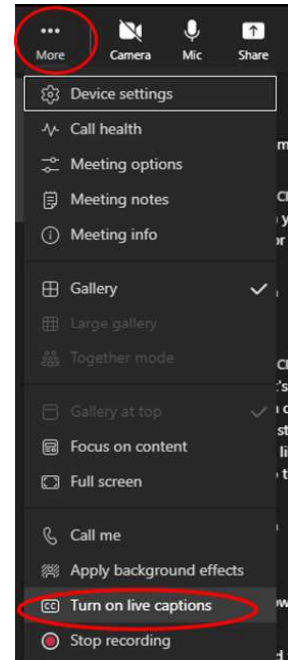
**If you are having a technical issue, please contact
Rhea Lieber at (347) 952-5008 or
rlieber@pcgus.com**



LOGISTICS

Live captions are available. To enable them:

- ✓ Click on the menu labeled “more” (under 3 dots)
- ✓ Select “Turn on live captions.”



**If you are having a technical issue, please contact
Rhea Lieber at (347) 952-5008 or
rlieber@pcgus.com**



INTRODUCTIONS

The New Hampshire Section 1332 Waiver / Reinsurance Program is a joint effort between the New Hampshire Health Plan (NHHP) and the New Hampshire Insurance Department (NHID).



NHHP: Executive Director Michael Degnan

- NHHP is a statutorily-created nonprofit organization that ran the New Hampshire High Risk Pool.
- NHHP is administering the NH Reinsurance Program.
- NHHP is not a policy-setting organization; its role is to administer the program as designed by the NHID and approved by the legislature.



NHID: Commissioner Christopher Nicolopoulos

- NHID continues to advise the program design, implementation, and operation.



WELCOME FROM THE NEW HAMPSHIRE INSURANCE DEPARTMENT

Commissioner Nicolopoulos
New Hampshire Insurance Department

Michelle Heaton
Health Law & Policy Legal Counsel
New Hampshire Insurance Department



KEY CONTACTS

Contact	Organization / Title	Email
Michael Degnan	NHHP Executive Director	JMDegnan@helmsco.com
Kevin Stone	Program Director	KStone@helmsco.com
Christopher Nicolopoulos	NHID Commissioner	Christopher.R.Nicolopoulos@ins.nh.gov
Jason Dexter	NHID LAH Director	Jason.G.Dexter@ins.nh.gov
Michelle Heaton	NHID Health Law & Policy Legal Counsel	Michelle.C.Heaton@ins.nh.gov
Lisa Kaplan Howe	Public Consulting Group	lkaplanhowe@pcgus.com

BACKGROUND: STATE AND FEDERAL AUTHORITY

The 2019 state budget trailer bill (HB 4) required NHID and NHHP to explore creating a risk stabilization program for the individual market.



- **RSA 404-G:12:** Directed NHID to work with NHHP to establish a market stabilization program for the individual market to be administered by NHHP.
- **RSA 404-G:12 & RSA 420-N:6-a:** Directed NHID to apply for a Section 1332 Waiver if such action was supported by the recommendations of actuarial experts.
- Based on the findings of an actuarial study in 2019, NHID issued an order to NHHP to submit to NHID, for approval, an amended Plan of Operations that included the Section 1332 Reinsurance Program.
- NHID submitted an application for a Section 1332 Waiver on April 21, 2020.
 - The Federal Departments of Health & Human Services and Treasury approved the waiver on August 5, 2020.
 - 9 ➤ The waiver and program went into effect on January 1, 2021.



BACKGROUND: PROGRAM DESIGN



New Hampshire's waiver is approved for January 1, 2021, through December 31, 2025.



The Reinsurance Program is an attachment point model that reimburses for high-cost claims that fall within the program's parameters.

- ✓ Attachment Point
- ✓ Cap
- ✓ Coinsurance



New Hampshire's Reinsurance Program is designed to pay-out the funds it takes in each year (after administrative costs and reserve).

PROGRAM YEAR 2023 UPDATES: IMPLEMENTATION

New Hampshire successfully launched the State's Reinsurance Program on January 1, 2021.

The carriers eligible to participate in the program in 2023 are:

- Anthem New Hampshire
- Point32Health/Harvard Pilgrim Health Care
- Centene (doing business as Ambetter)



These are the same carriers that participated in 2021 and 2022.



PROGRAM YEAR 2023 UPDATES: REINSURANCE PARAMETERS

2023 Parameters

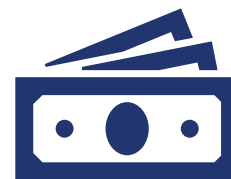
Attachment Point	\$60,000
Cap	\$400,000
Target Coinsurance	58 percent*

*The coinsurance is adjusted to match payments to funding available and, for that reason, is an estimate that is subject to adjustment based on final funding available and eligible claims.

PROGRAM YEAR 2023 UPDATES: IMPACT OF RESUMPTION OF MEDICAID REDETERMINATIONS

Medicaid redeterminations resumed in New Hampshire in April.

- Expected to increase Exchange enrollment, which will result in:
 - Increased eligibility for APTCs/Pass-through Funding
 - Increased state assessment funding
 - Increased Exchange (reinsurance-eligible) claims
- Coupled with the enrollment incentives of the Inflation Reduction Act (increased Advance Premium Tax Credits)
- Impact will be lesser in 2023 due to enrollment happening mid-year
- NHHP and NHID are closely monitoring the impact ahead of rates being finalized for 2024



PROGRAM YEAR 2023 UPDATES: FUNDING

2021 and 2022 Combined Funding: \$85.89 million

- Federal Funding - \$58.11 million
- State Funding** - \$27.78 million

Projected 2023 Funding: \$44.56 million

- Federal Funding - \$32 million
- Projected State Funding** - \$12.56 million

Total Program Funding to-date: \$130.45 million

- Federal Funding - \$90.11 million
- Projected State Funding** - \$40.34 million

**Carrier Assessment - 60 basis points of the prior year's without-waiver SLCSP rate



PROGRAM YEAR 2023 UPDATES: OPERATIONS

NHHP and NHID considered two program changes in 2022:

- I. In March, the Commissioner approved an updated NHHP Plan of Operations that changes the **Reinsurance Program payment process**.
 - Previously two payments were made:
 - Initial payment (80% of funds) based on the federal EDGE Server claims reports;
 - A final true-up payment based on carrier supplemental claims submission.
 - On the recommendation of AWG, starting with payments made in 2023 (for the prior program year), only one payment will be made (by July 31, 2023 and based on the EDGE Server claims reports).



PROGRAM YEAR 2023 UPDATES: OPERATIONS

2. NHHP and NHID also examined the impact of a **low Attachment Point model**.
 - Carriers asked NHHP and NHIP to evaluate implementing such a model in New Hampshire.
 - Leif ran analyses at various Attachment Points.
 - Findings were shared with NHHP, NHID, the AWG and the NHHP Board
 - Based on input from the AWG and direction from NHID, the program model will remain unchanged at this time.
 - Program changes will be considered again if New Hampshire seeks a waiver renewal.

PROGRAM YEAR 2023 UPDATES: MARKET IMPACT

Lower Premiums - The waiver resulted in*:

- A 13% decrease in the Second-Lowest Cost Silver Plan rate for plan year 2023.
- Nationwide for 2023, New Hampshire**:
 - Has the lowest average cost benchmark (Second-Lowest Cost Silver) premium
 - Has the lowest average cost Silver premium
 - Has the second lowest average cost Bronze premium
 - Has the third lowest average cost Gold premium

Increased Enrollment*** – As of April 2023, on-Exchange individual market enrollment was up to 52,265 individuals (an increase of 5% over the average enrollment in 2022).

Stable Carrier Engagement – Three carriers remain in the NH individual insurance market.

*Based on carrier filings of with and without waiver rates.

**Findings from the Kaiser Family Foundation State Health Facts "Average Marketplace Premiums by Metal Tier - 2023."

***Based on Marketplace enrollment reports. The impact of the Reinsurance Program specifically on enrollment has not been isolated.

PROGRAM YEAR 2024 PLANNING: REINSURANCE PARAMETERS



NHHP's Actuarial Workgroup continues to support program development:

- Members - Senior actuaries from each carrier participating in the program
- Role - Consult on key implementation milestones that require actuarial work
- The workgroup members worked with NHHP, NHID, and NHHP's actuarial firm (Leif Associates) to provide data and insight to inform the development of reinsurance parameters for the 2023 & 2024 program years and have also advised on proposed program changes, payment calculations and the impact of Medicaid redeterminations.

PROGRAM YEAR 2024 PLANNING: REINSURANCE PARAMETERS

The actuarial workgroup met with staff and Leif Associates 3 times between December 2022 and March 2023.



Recommended parameters were presented to the NHHP Board on March 23, 2023.



The Board adopted those recommendations for submission to Commissioner Nicolopoulos on March 23, 2023.



The Commissioner approved those parameters on March 27, 2023.

PROGRAM YEAR 2024 PLANNING: FUNDING & REINSURANCE PARAMETERS

2024 Funding Projection*: \$52.77 million

- Projected Federal Funding - \$39.6 million
- Projected State Funding - \$13.17 million**

2024 Parameters

Attachment Point	\$60,000
Cap	\$400,000
Target Coinsurance	49.4 percent

*NHHP is monitoring enrollment to understand the impact of the resumption of Medicaid redeterminations on funding and enrollment.

**Carrier Assessment - 60 basis points of the PY 2022 SLCSP without-waiver premium



OTHER UPDATES AND NEXT STEPS

Completed:

- ✓ Carriers submitted care management program descriptions to demonstrate the carrier's ability to identify and help manage the care of potential higher cost claimants to ensure the appropriateness of health care services delivered.
- ✓ NHHP received and reviewed EDGE Server reports of 2022 eligible claims for each carrier.
- ✓ NHHP calculated initial 2022 payments.
- ✓ The Commissioner signed an amendment to the NHHP Plan of Operations, reflecting the change to one program payment annually.



Next Steps:

- On or before July 31, 2023: Full payments for 2022 will be made



QUESTIONS & COMMENTS

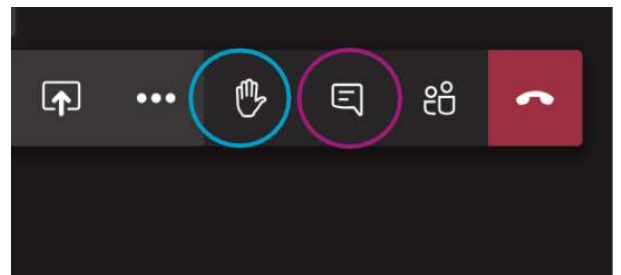
NHHP invites attendees to share questions or comments about the New Hampshire Reinsurance Program/Section 1332 Waiver and today's updates.

Instructions for Virtual Attendees:

Use the “**raise your hand**” option. We will unmute your line and announce you so you may begin speaking. If you'd like, you can turn on your video.

- Alternatively, you may submit questions and comments into the **chat box** of the webinar.
We will read and respond to all questions submitted.

All comments will be documented for the record.



Questions and comments can be submitted in writing by **June 30th** to Rhea Lieber at rlieber@pcgus.com, or by mail to Mike Degnan at New Hampshire Health Plan.

KEY CONTACTS

Contact	Organization / Title	Email
Michael Degnan	NHHP Executive Director	JMDegnan@helmsco.com
Kevin Stone	Program Director	KStone@helmsco.com
Christopher Nicolopoulos	NHID Commissioner	Christopher.R.Nicolopoulos@ins.nh.gov
Jason Dexter	NHID LAH Director	Jason.G.Dexter@ins.nh.gov
Michelle Heaton	NHID Health Law & Policy Legal Counsel	Michelle.C.Heaton@ins.nh.gov
Lisa Kaplan Howe	Public Consulting Group	lkaplanhowe@pcgus.com