

**STATE OF NEW HAMPSHIRE
1332 STATE INNOVATION
WAIVER EXTENSION
APPLICATION**



NEW HAMPSHIRE HEALTH PLAN
J. Michael Degnan, Executive Director

NEW HAMPSHIRE INSURANCE DEPARTMENT
Commissioner D.J. Bettencourt

DRAFT
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I. Description of the Extension Request

Background and Extension Request

On August 5, 2020, New Hampshire received approval from the Centers for Medicare and Medicaid Services (CMS) and the Treasury Department for a waiver of the single risk pool provision in Section 1312(c)(1) of the Patient Protection and Affordable Care Act (ACA), allowing the state to implement a state-based reinsurance program for the state's individual health insurance market. The waiver is necessary to allow issuers to include expected reinsurance payments as they develop their market-wide index rates. Doing so is a condition of participation in the Reinsurance Program and is essential for rate savings to be realized. The waiver also enables the state to receive Pass-through Funding to help fund the Reinsurance Program.

Establishment of a reinsurance program and pursuit of the federal waiver were authorized by New Hampshire Chaptered Law 346 of 2019, which amended New Hampshire RSA 404-G:12 and RSA 420-N:6-a, described in further detail below, and remains in effect.

Based on the state authorization and federal waiver approval, the state implemented the New Hampshire Reinsurance Program ("Reinsurance Program") effective January 1, 2021. The program is administered by the New Hampshire Health Plan (NHHP), in collaboration with the New Hampshire Insurance Department (NHID). NHHP is a statutorily-authorized non-profit organization that, while independent from the state, has express powers authorized by the state. New Hampshire RSA 404-G created and authorizes the activities of NHHP. The NHHP Board of Directors provides oversight to the Reinsurance Program. The Board composition includes representatives from carriers - including each of the carriers that qualify for participation in the Reinsurance Program - a representative of healthcare providers, a representative of health insurance brokers, and a representative from the NHID. NHHP has also established an Actuarial Workgroup (AWG), comprised of the senior actuaries from each participating carrier, which serves as an advisory body to the program.

The Reinsurance Program has been successful in meeting its goals of promoting affordability and enrollment in the state's individual market and, in turn, support market stability. As detailed further below, since implementation of the waiver (between 2020 and April 2024), the state has experienced a 12.8% average premium savings for the Second-Lowest Cost Silver Plan, and enrollment has grown 59%. Enrollment of those without Advance Premium Tax Credits (APTCs), in particular, grew 52% between 2020 and 2023 alone.¹ Unsubsidized individuals both on- and off-Exchange are most at-risk for losing coverage as it becomes less affordable and they benefit significantly from savings resulting from the waiver. All individual market carriers have remained in the market, with one new carrier entrant in 2023 and another expected to enter the market for plan year 2025.

As a result of the success, NHHP seeks a five-year extension of the waiver in order to preserve these benefits experienced by the state's individual health insurance market and for Granite Staters and our state's healthcare system more broadly. We are concerned that if premiums increase without the waiver, the state will experience an increase in its uninsurance rates as individuals are priced-out of the market. Even if individuals continue to find a way to afford more expensive insurance, they may be forced to purchase less comprehensive insurance if only that is affordable for them. They will then incur greater cost sharing, making care less accessible or compelling them to forgo needed care altogether. The current waiver ends on December 31,

¹ During the same time period, total market enrollment grew 38%. Total unsubsidized enrollment as of 2024 is unknown.

2025. NHHP seeks a new waiver period for January 1, 2026 through December 31, 2030.

The state is not seeking substantive changes to waiver and will continue operating the Reinsurance Program as it currently is designed and as described below. If granted a waiver extension, the state will continue to adhere to the state's Specific Terms and Conditions, as set forth by CMS, and the Section 1332 guardrails, as detailed below. The waiver will also continue to promote the principles outlined in Section 1332 guidance and will not impact any other provisions of the ACA.

Reinsurance Program Structure

All New Hampshire issuers who offer comprehensive, major medical plans in New Hampshire's individual market that are part of the single-risk pool are eligible to participate in the Reinsurance Program. Grandfathered and transitional plan claims are excluded.

Similar to the federal Transitional Reinsurance Program that operated in the individual market from 2014 through 2016, New Hampshire's Reinsurance Program functions as an invisible reinsurance program. Enrollees remain in their current health insurance plan in the single risk pool individual market, and issuers receive reimbursement from the Reinsurance Program based on their liability for high-cost claims. Enrollees are not aware that claims are being reimbursed by the program as the reimbursement is completed on the back-end of the claims reimbursement process without coverage being ceded or consequences otherwise to the enrollee.

The Reinsurance Program functions as a traditional reinsurance program with funding allocations determined based on reinsurance parameters. Claims that fall between the attachment point (lower threshold) and reinsurance cap (upper threshold) are reimbursed based on the reinsurance target coinsurance percentage. The Reinsurance Program payments are determined by the amount of funding available for each program year; the state has committed that all funding collected for the Reinsurance Program will be paid out (for payments to issuers and for program administration) for the year for which it is collected, and no additional state funds will be provided. As a result, the coinsurance percentage applied to eligible claims is adjusted to match the reinsurance payments to the funding available and, for that reason, is an estimate that is subject to adjustment based on final funding available and total eligible claims. The reinsurance parameters are revisited and adjusted as appropriate on an annual basis by the New Hampshire Insurance Commissioner based on recommendations by the NHHP Board of Directors in advance of plan submission and rating for the applicable plan year. The parameters for the initial waiver years are summarized in Table 1.

Participating carriers are required to submit their care management program descriptions on an annual basis to ensure that care management efforts will be maintained and consistently applied to members regardless of reinsurance eligibility. This demonstrates the carriers' ability to identify and help manage the care of potential higher-cost claimants to ensure the appropriateness of healthcare services delivered. The submissions are transmitted to the Insurance Commissioner and shared with CMS and the Treasury Department as part of the annual reporting on the waiver.

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	2021	2022	2023	2024	2025
Attachment Point	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
Reinsurance Cap	\$400,000	\$400,000	\$400,000	\$400,000	\$400,000
Coinsurance	Final Coinsurance – 84.67%	Final Coinsurance – 71.1%	Final Coinsurance - 70.9%	Target Coinsurance* - 49% <i>*Coinsurance percentage will not be finalized until June 2025</i>	Target Coinsurance* - 49% <i>*Coinsurance percentage will not be finalized until June 2026</i>

Table 1: Reinsurance Program Parameters for Initial Program Years

Payments to issuers are made following the end of the plan year – no later than by the following July 31st - and are based on claims documented as part of the External Data Gathering Environment (EDGE) Server reports.

While issuers with plans in the individual single-risk pool market are not held to a specific rate decrease relative to the Reinsurance Program, they are required to reflect the fact that there is a mechanism in place from which they will receive reimbursement and to factor their estimate of reinsurance impact into rate filings in order to participate in the program.

Key Activities

NHHP and NHID monitor the program, including via a waiver implementation workplan. Key programmatic activities that happen on an annual basis include:

- August of two calendar years prior: Any program changes must be finalized
- November of two calendar years prior: Without-waiver Second Lowest Cost Silver Plan (SLCSP) for the year prior to the applicable program year is confirmed (determines the state assessment for the program year)
- January-March of the prior calendar year: Reinsurance parameters are set
- September of the prior calendar year: Pass-through Funding report is submitted
- November of the prior calendar year: State assessment notice is provided
- Quarter 1: Care management descriptions are collected
- June of the following calendar year:
 - Annual Public Forum is held
 - Payment allocations are calculated
- July of the following calendar year: Payments are made to eligible issuers
- Quarterly: State assessment is collected and federal reporting is completed

Reinsurance Program Funding

There are – and will remain – 2 sources of funding for the New Hampshire Reinsurance Program.

- 1) A premium assessment to be applied to issuers across the health insurance market.

NHHP assess all licensed issuers providing comprehensive health insurance or stop loss insurance covering New Hampshire lives under its authority under New Hampshire RSA 404-G:3(I) for a per

exposure (per member per month) assessment (consistent with the assessment methodology employed to support the former state high-risk pool and other NHHP programs).² This assessment funds the costs of the program (claims payments and administrative costs) that are not financed by the federal pass-through funding.

The state assessment changes annually based on a fixed calculation - 60 basis points (0.6%) of the prior year's SLCSP without-waiver rate.³ The assessment rate for a given year can be calculated as soon as the SLCSP premium for the prior year is known (November of two years prior to the applicable program year). As such, the 2026 assessment rate will be based on the 2025 SLCSP premium without waiver, which is not yet known. As reflected in the actuarial report attached as Appendix A, the assessment rate for 2026 is projected to be \$2.36 per member per month, calculated based on a 2025 projected without-waiver SLCSP of \$393.77. Based on an assessable base of approximately 490,000 lives, that would provide \$13,876,800 to fund claims and administrative costs. Based on the actuarial projections, total state funding is expected to range between \$14,000,000 and \$16,400,000 over the remaining of the waiver period.

2) Federal pass-through funding provided in response to this waiver application.

Through this Section 1332 Waiver extension application, New Hampshire is requesting that the Treasury continue to “pass-through” to the Reinsurance Program the cost savings from reduced federal outlays for premium tax credits (PTCs) as provided for under Section 1332(a)(3) of the ACA. PTCs are calculated based on the premium for the SLCSP. Therefore, the reduction of the premiums for the SLCSP that results from the Reinsurance Program directly reduces the cost of PTCs. The Pass-through Funding amount is reduced by the decrease in Exchange use fees resulting from premium reductions. The state estimates that it will be eligible for \$36,038,741 (if the enhanced Advance Premium Tax Credits (ATPCs) under the American Rescue Plan Act (ARPA) are extended beyond the current expiration date of December 31, 2025) or \$21,922,258 (if the enhanced ATPCs do not continue) in Pass-through Funding in 2026, increasing to between \$39,666,823 and \$52,446,869 (with enhanced ATPCs) or \$24,134,333 to \$31,913,200 (without enhanced ATPCs) in each of the remaining years of the extension period, as outlined in Appendix A.⁴ This funding is used jointly with the state funding to reimburse eligible claims under the Reinsurance Program.

	2021	2022	2023	2024 (estimated)
State Funding	\$14,265,871	\$13,520,011	\$13,094,157	\$13,171,200
Federal Pass-through Funding	\$31,544,702	\$26,565,613	\$32,044,848	\$28,035,719
Total Program Funding	\$45,810,573	\$40,085,624	\$45,139,005	\$41,206,919

Table 2: Reinsurance Program Funding for Initial Program Years

² See New Hampshire RSA 404-G:2 for definition of “health insurance” and “covered lives” that are subject to assessment.

³ The SLCSP rate used for the calculation is the “without waiver” rate for a non-smoking 40-year-old.

⁴ As noted in the actuarial report in Appendix A, it is unknown at this time whether the enhanced ATPCs originally enacted under ARPA and extended through 2025 under the Inflation Reduction Act will be extended beyond the current expiration date. Because of the significant impact the enhanced ATPCs on Pass-through Funding, the actuarial analysis was run both with and without the enhanced ATPCs.

Compliance with Section 1332 Guardrails and Advancement of Section 1332 Principles and State Goals

New Hampshire's Section 1332 Waiver will continue to comply with the guardrails for Section 1332 waivers.

- *Comprehensiveness of Coverage:* Coverage impacted by the waiver is and will continue to be at least as comprehensive as would be available without the waiver. New Hampshire's waiver does not alter the required scope of benefits, including relative to the Essential Health Benefits (EHB). Continuing the Reinsurance Program will ensure that the increased number of individuals with access to coverage that meets EHB requirements due to savings achieved under the waiver (as demonstrated below) continues. The premium savings under the waiver also will ensure that more individuals can afford plans that provide more affordable access to healthcare and are not forced to buy-down to plans with less affordable cost sharing because of an increase in premium costs. The waiver has no impact on group and public program coverage.
- *Affordability of Coverage:* The cost of comprehensive individual market coverage under the waiver has decreased under the waiver, as demonstrated below, promoting affordability. As noted in the actuarial report in Appendix A, the cost of "with waiver" premiums is expected to continue being lower than the "without waiver" premiums. If ARPA enhanced APTCs continue, the "with waiver" market-wide average premiums are expected to range from \$529.33 to \$648.32 per member per month (pmpm) through the waiver extension period, compared to projected "without waiver" market-wide average premiums of \$598.38 to \$732.89 pmpm during the same time period. Similarly, if the ARPA enhanced APTCs expire, the cost of "with waiver" premiums are expected to range from \$516.85 to \$633.04 pmpm through the waiver extension period, compared to projected "without waiver" market-wide average premiums of \$583.32 to \$714.69 during the same time period. The waiver has no impact on group and public program coverage. Additionally, access to cost-sharing protections and protections against excessive out-of-pocket spending are not impacted by the waiver, though, if premiums go up without the waiver, individuals may be forced to buy-down to plans with higher cost sharing, impacting affordability of cost sharing and care.
- *Scope of Coverage:* Coverage is available to the same number of residents under the waiver as without and, as demonstrated below, access to individual market coverage has been enhanced as a result of the waiver, which is expected to continue, as noted in the actuarial report in Appendix A. If the ARPA enhanced APTCs remain in place, market-wide individual market enrollment with the waiver is projected to be 81,718-91,975 individuals per year over the extension period, compared to 80,901-91,055 without the waiver. If the ARPA enhanced APTCs expire, market-wide individual market enrollment with the waiver is projected to be 66,888-75,284 individuals per year over the extension period compared to 66,219-74,531 without the waiver. The waiver has no material impact on enrollment in group coverage or public programs.
- *Deficit Neutrality:* The New Hampshire waiver has not and will not increase the federal deficit. The federal Pass-through Funding under the waiver is equal to federal savings in APTCs. That amount is offset by the reduction in revenue from Exchange user fees due to lower premiums and is adjusted for the APTC to PTC conversion rate. As a result, the waiver does not result in increased federal spending or expenses.

The waiver has also been shown to advance the federal principles for Section 1332 Waivers:

- *Providing Increased Access to Affordable Private Market Coverage* by lowering the cost of individual market plans.

- *Encouraging Sustainable Spending Growth* by stemming an anti-selection spiral by making the non-subsidized segment of the individual market more affordable.
- *Fostering state innovation* by allowing the state to design a state-based approach to reinsurance, specifically an attachment point model that relies on a fixed funding source. New Hampshire has also considered and is continuing to consider innovative approaches to reinsurance, including a low attachment point model.
- *Supporting and Empowering those in Need* by supporting and expanding access to health insurance in the individual market. While out-of-pocket spending and enrollment may not be impacted for the most vulnerable New Hampshire residents due to the APTCs, they are impacted for a group that is vulnerable when it comes to health insurance coverage – those residents that neither have access to group coverage nor premium assistance. Additionally, by stabilizing the individual market and supporting carrier engagement, the waiver ensures that all New Hampshire residents that purchase private coverage through the individual market – including those with APTCs – have multiple options from which they can choose for coverage. It also prevents individuals from having to buy-down to plans that include higher cost sharing.
- *Promoting Consumer-Driven Health Care* by increasing the affordability of health insurance premiums in the individual market and supporting the stability of that market and, in turn, supporting the continued opportunity for Granite Staters to not only purchase insurance but to also have the ability to choose from among multiple insurance options to find the plan that best meets their individual needs.

The goals of the waiver extensions build on the goals in our initial waiver request:

- Maintaining the premium reductions the state's individual market has experienced to-date;
- Maintaining the significant growth in enrollment the individual market has experienced during the waiver period; and
- Continued stability of the individual market with at least the current carriers remaining in the state's individual market.

The state also seeks to prevent currently- and newly-insured individuals from having to buy-down to coverage with lower premiums but that has higher cost sharing due to rates being higher without the waiver.

II. Updated Economic or Actuarial Analyses for the Extension Period

The updated actuarial report for the extension period, completed by the program actuarial firm, Leif Associates, has been included as Appendix A.

III. Preliminary Evaluation Data and Analysis of Observable Outcomes from the Existing Waiver Program

NHHP and NHID have been tracking the impact of the waiver carefully. As outlined in New Hampshire's initial waiver application, the state projected that in the first year of the waiver, the Reinsurance Program would lower premiums in the individual market by an average of approximately 16% and would increase unsubsidized insured enrollment by 6% compared to no program being in effect. The state also predicted that the waiver would help maintain stability in the individual health insurance market in New Hampshire. As outlined below, the state has realized its goals of lower premiums, increased enrollment and market stability. Additionally, as noted above, the Reinsurance Program has met each

of the Section 1332 statutory guardrails.

Comprehensiveness of Coverage

Coverage impacted by the waiver has continued to be at least as comprehensive as would be available without the waiver. New Hampshire's waiver does not alter the required scope of benefits and increases the number of individuals with access to coverage that meets EHB requirements due to savings achieved under the waiver as demonstrated below. In addition, the savings under the waiver have helped to make plans with more generous coverage affordable to a larger number of residents, preventing them from having to buy-down to less comprehensive coverage.

Affordability of Coverage

The cost of comprehensive individual market coverage has decreased under the waiver, promoting affordability. In each of the four years of the waiver, the with-waiver rates for the SLCSP have been significantly lower than the projected without-waiver rates for the same plans – ranging from a 10% savings in 2024 to a 14% savings in 2022. Across the four years of the waiver thus far, the average premium savings resulting from the waiver has been 12.8%. Moreover, the SLCSP premium for a 40-year-old non-tobacco user in 2024 is \$335.44, compared to \$404.60 in 2020 – a decrease of 17%.

	Without Waiver Premium	With Waiver Premium	Percent Difference
2020	\$404.60	N/A	N/A
2021	\$386.72	\$332.98	13.9%
2022	\$358.62	\$308.57	14.0%
2023	\$372.63	\$322.70	13.4%
2024	\$372.89	\$335.44	10.0%

Table 3: Premium Impact (*premiums are for SLCSP, 40 year-old non-tobacco user)

As a result of these premium savings, New Hampshire's premium affordability has improved compared to other states nationwide. According to the Kaiser Family Foundation, New Hampshire ranked fifteenth in the nation for affordability of its SLCSP prior to the waiver (in 2020). That ranked improved to seventh in year one of the waiver, and New Hampshire has been first in the nation for affordability of its SLCSP in each of the past three years. Similarly, New Hampshire ranked between twelfth and fifteenth for affordability of the average lowest cost Bronze, Silver and Gold plans in 2020 and now ranks second for affordability of Bronze and Gold premiums and first for affordability of Silver premiums. New Hampshire has not ranked lower than fifth since year one of the waiver.⁵

⁵ Kaiser Family Foundation, *Average Marketplace Premiums by Metal Tier*, <https://www.kff.org/affordable-care-act/state-indicator/average-marketplace-premiums-by-metal-tier/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>

	2020	2021	2022	2023	2024
SLCSP	15 th	7 th	1 st	1 st	1 st
Average Lowest Cost Bronze Plan	12 th	4 th	5 th	2 nd	2 nd
Average Lowest Cost Silver Plan	15 th	2 nd	1 st	1 st	1 st
Average Lowest Cost Gold Plan	14 th	5 th	5 th	3 rd	2 nd

Table 4: New Hampshire Rankings: Average Marketplace Premiums by Metal Tier (Kaiser Family Foundation)

Scope of Coverage

Coverage is available to the same number of residents under the waiver as without. Importantly, access to individual market coverage has been enhanced. New Hampshire's individual market enrollment has grown both on-Exchange and off-Exchange each year over the waiver period. In 2020, average enrollment for the entire individual market was 46,953 individuals – 41,354 on-Exchange and 5,599 off-Exchange. In year one of the waiver, average enrollment grew by 12.5% to 52,818 individuals (44,904 on-Exchange and 7,914 off-Exchange). In 2022 – prior to the resumption of Medicaid determinations – average enrollment grew an additional 9.3%. Through April 2024 the average monthly enrollment has increased to 74,816 (61,842 on-Exchange and 12,974 off-Exchange) – a total growth of 59% over the term of the waiver.

	On-Exchange Average Enrollment*	Off-Exchange Average Enrollment *	Total Individual Market Average Enrollment*	Annual Percent Change – Total Individual Market Average Enrollment*
2020	41,354	5,599	46,953	N/A
2021	44,904	7,914	52,818	12.5%
2022	48,389	9,318	57,707	9.3%
2023	53,010	11,975	64,985	12.6%
2024 (*through April)	61,842	12,974	74,816	15.1%

Table 5: Individual Market Average Enrollment Growth

While it is impossible to fully isolate the impact of the waiver from the impact of external factors such as the resumption of Medicaid redeterminations and the enhanced APTCs under ARPA (and extended under the Inflation Reduction Act), data show that the growth in the market is being driven, at least in part, by the waiver. The fact that enrollment has grown off-Exchange (which is less impacted by these two factors since APTCs are not available for these plans) is an indication of the waiver impact on enrollment growth.

Deficit Neutrality

The New Hampshire waiver has not increased the federal deficit. The federal Pass-through Funding under the waiver is equal to federal savings in APTCs and is offset by the reduction in revenue from Exchange user fees due to lower premiums and is adjusted for the APTC to PTC conversion rate.

Other

Also, meaningfully, the stability of the state's individual market has grown under the waiver, with a new carrier – Anthem Health Plans of New Hampshire – entering the market in 2023. A fifth carrier is also expected to enter the market for plan year 2025.

IV. Evidence of Sufficient Authority under State Law in Order to Meet the ACA Section 1332(b)(2)(A) Requirement for Purposes of Pursuing the Requested Extension

The state statutory provisions that authorized and required New Hampshire to explore and pursue a Section 1332 Waiver remain in effect. As such, they provide authority under state law for the continuation of the waiver at the state level.

Chaptered Law 346 of 2019, signed into law by Governor Sununu on October 2, 2019, amended New Hampshire RSA 404-G:12 to direct NHID to work with NHHP to establish a market stabilization program, such as a reinsurance program, for the state's individual market if doing so was supported by actuarial experts retained by NHID, with the program to be administered by NHHP. The law also amended RSA 420-N:6-a, which, together with New Hampshire RSA 404-G:12, authorized the state to apply for a Section 1332 Waiver and specifically directed the NHID to do so if such action was supported by the recommendations of actuarial experts, and to implement the program if the Section 1332 Waiver was granted. RSA 420-G:12 also authorized the Commissioner of Insurance to request the NHHP to develop a plan of operations to support the affordability and accessibility of health insurance in New Hampshire's individual health insurance market. As a result, NHID directed NHHP to develop a Reinsurance Risk Mechanism Plan of Operations that includes the Section 1332 Waiver program within the individual health insurance market.

As noted above, these provisions remain in effect, allowing for the continuation of the Section 1332 Waiver and Reinsurance Program at the state level. Further, pursuant to an Order issued by the NHID in 2020, NHHP has authority to assess its members to fund the state share to support the Reinsurance Program. That Order also remains in effect. A supplemental order was issued on September 30, 2020 but makes only a technical change to the waiver.

The authorizing legislation and NHID Orders are included in Appendix B.

V. Explanation of Evidence of the Process to Ensure Meaningful Public Input on the Extension Request

Public Notice, Public Hearing and Public Comment Period

New Hampshire has enabled stakeholders and the general public to learn about the Reinsurance Program, the state's Section 1332 Waiver and this waiver extension request. NHHP posted the extension Letter of Intent (LOI) to seek a waiver extension on its website.⁶ As provided for in CMS's response to New Hampshire's LOI, New Hampshire utilized its Annual Post-Award Public Forum to enable public comment on the waiver extension. NHHP, jointly with NHID, provided public notice of the opportunity to comment on the application, as well as the public hearing on the application, on May 13, 2024. This notice was combined with notice of the Annual Public Forum and posted on both the NHHP

⁶ nhhp.org/historical-governance-documents/governance-documents-nh-reinsurance-program/

and NHID websites. NHID also used its broad email distribution list, which includes stakeholders and members of the public across the state, to share the notice. Finally, NHHP and NHID issued notices and press releases to four major, local newspapers (the Concord Monitor, the Union Leader, the Keene Sentinel, and the Conway Daily Sun). All notices are provided in Appendix D.

The public comment period commenced on June 12, 2024 with the posting of the waiver extension application on both the NHHP and the NHID websites. Written comments were collected for 30 days until July 12, 2024.

[Additional information about the public comment period will be added after it has ended]

Summary of Comments Received and State Response

[To be added following the public comment period]

Tribal Consultation

New Hampshire does not have any federally-recognized tribes within its borders, and thus, has not established a separate process for consultation with any tribes with respect to this Section 1332 Waiver extension application.

Other Stakeholder Input

The NHHP Board of Directors and the Reinsurance Program Actuarial Workgroup (AWG) have also been engaged in the planning process in an ongoing manner. The Board includes members representing the following stakeholder communities: health insurance issuers, health care providers, businesses, and health insurance brokers. The AWG is comprised of the senior actuaries from each participating carrier at the beginning of the program and that group continues to serve as an advisory body to the program.

Appendix A

Actuarial and Economic Report

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New Hampshire Draft 1332 Waiver Extension **Application**

Section 1332 State Innovation Waiver Extension

Actuarial Analysis

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

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Background

Leif Associates was engaged by the New Hampshire Health Plan (NHHP) to prepare an actuarial analysis for the State of New Hampshire's Section 1332 Waiver Extension Application for calendar years 2026 through 2030. This actuarial report addresses one of the requirements described in the CMS response to New Hampshire's Letter of Intent to apply for a five year extension of its current 1332 Waiver program. The application must include an updated economic or actuarial analyses for the extension period. The analysis must reflect whether the state is aware of changes in state law, the state insurance market, or the waiver program that are expected to impact waiver assumptions and projections, if they are allowable under the specific terms and conditions governing New Hampshire's waiver and have not previously been shared with the Departments of Health & Human Services and Treasury.

The Current New Hampshire 1332 Waiver Reinsurance Program

The New Hampshire Reinsurance 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. During the initial waiver period, the floor and cap were initially set at \$60,000 and \$400,000 and remained at that level for the entire period, with a floating reinsurance percentage based on available funding.
- An actuarial study is performed each year prior to carrier rate submission deadlines to estimate reinsurance payments for the following year. The health insurers set their individual market premium rates at a lower level because they will receive reinsurance payments to help offset the cost of claims.
- The insurers submit their rates to the New Hampshire Insurance Department with and without the waiver, as an indication of the impact the 1332 waiver has on their rates.
- The 1332 waiver reinsurance is funded by federal pass-through funding combined with additional state funding. The federal 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.
- Additional state funding for the program is provided by 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 (without waiver) purchasing on the New Hampshire Marketplace.

Summary of Proposed Section 1332 Waiver Extension

The proposed New Hampshire waiver extension extends the existing waiver for an additional five years and does not propose any changes to the existing waiver. The reinsurance approach and sources of funding will remain as structured under the current waiver.

The American Rescue Plan Act (ARPA) provided for enhanced Advance Premium tax Credits (APTC) in calendar years 2021 and 2022. The Inflation Reduction Act extended the enhanced APTC for calendar years 2023 through 2025. The enhanced APTC not only lowered the member premiums for individuals with incomes below 400% FPL, but also extended APTC to individuals with income above 400% FPL for the first time. The enhanced APTC has not yet been extended beyond 2025. It is unknown whether it will be extended into New Hampshire's waiver extension period of 2026 through 2030. The enhanced APTC has a significant impact on enrollment in marketplace plans, and therefore has a significant impact on federal pass-through funding.

Because of this significant unknown, we are providing two sets of projections for the extension period that consider both potential scenarios. The following tables present a summary of both five-year projections. Details of the projections, as well as the methodologies and assumptions that underlie them, can be found later in the report.

Table 1A – Summary of Five-Year Projections if Enhanced APTC is Continued

	2026	2027	2028	2029	2030
Federal Funding	\$36,038,741	\$39,666,823	\$43,585,085	\$47,726,926	\$52,446,869
State Funding	\$13,476,800	\$14,064,800	\$14,829,200	\$15,652,400	\$16,416,800
Total Funding/ Reinsurance	\$49,515,541	\$53,731,623	\$58,414,285	\$63,379,326	\$68,863,669

Table 1B – Summary of Five-Year Projections if Enhanced APTC is Not Continued

	2026	2027	2028	2029	2030
Federal Funding	\$21,922,258	\$24,134,333	\$26,516,455	\$29,041,629	\$31,913,200
State Funding	\$13,476,800	\$14,064,800	\$14,829,200	\$15,652,400	\$16,416,800
Total Funding/ Reinsurance	\$35,399,058	\$38,199,133	\$41,345,655	\$44,694,029	\$48,330,000

The Four Guardrails

The existing waiver program has met the statutory guardrails laid out in Section 1332, as is supported by observable outcomes provided elsewhere in the extension application. One of the requirements of the extension application is to demonstrate that the program will also satisfy the guardrail conditions during the extension period. This actuarial analysis shows that the proposed waiver extension will continue to satisfy the four guardrails. The following paragraphs describe the four guardrail conditions and how they will be satisfied during the waiver extension period.

- Comprehensive Coverage – 1332(b)(1)(A). The waiver cannot make alterations to the required scope of benefits offered in the New Hampshire insurance market and cannot result in a decrease in the number of individuals with coverage that meet the ACA’s Essential Health Benefits requirements.

This condition will be satisfied during the extension period because the waiver extension does not make alterations to the required scope of benefits offered in the New Hampshire insurance market. It is a reinsurance program that is invisible to the members and does not affect their benefits in any way. The number of individuals with coverage that meets the ACA’s Essential Health Benefits requirements is increased rather than decreased due to the lower premiums.

- Affordability – 132(b)(1)(B). The waiver cannot decrease existing coverage or cost-sharing protections against excessive out-of-pocket spending. The waiver cannot result in any decrease in affordability for individuals.

This condition will be satisfied during the extension period because the waiver extension does not decrease existing coverage or cost-sharing protections against excessive out-of-pocket spending. The waiver has no impact on coverage or cost-sharing provisions. The waiver extension does not result in any decrease in affordability for individuals, but rather makes it more affordable through lower premiums.

- Scope of Coverage – 1332(b)(1)(C). The waiver must provide coverage to at least a comparable number of residents as would be provided coverage absent the waiver.

This condition will also be satisfied. This can be seen by comparing Tables 4 and 5 (or Tables 7 and 8) later in this report, which show projected enrollment with and without the waiver. In both scenarios (with or without the continuation of enhanced APTC), membership with the waiver is expected to be slightly greater than without the waiver, since premiums will be lower, resulting in increased enrollment.

- Federal Deficit Neutrality – 1332(b)(1)(D). The waiver cannot result in increased spending, administrative, or other expenses to the federal government.

The waiver extension will not result in increased spending, administrative, or other expenses to the federal government. The reinsurance program is designed in such a way that any federal savings from the APTC being based on lower premiums will be passed through to New Hampshire and used to support the reinsurance program, so the cost to the federal government will be the same with or without the waiver. This is demonstrated in Tables 6 and 9 later in this report.

Actuarial Analysis of Proposed Section 1332 Waiver Extension

Methodology and Assumptions

Four insurance carriers participate in the New Hampshire individual insurance market: Anthem Matthew Thornton, Anthem Health Plans, Centene, and Harvard Pilgrim. In November 2023, Leif Associates requested data from the carriers, including membership, premium, and claims for all members in ACA-compliant individual plans covered at any time during the period 1/1/2021 through 12/31/2023. We also requested 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 Credits (APTC).

All data was received from the carriers by mid-January 2024 as requested and was analyzed for reasonableness and completeness. All questions about the interpretation and comparability of the carrier data were followed up and resolved. The data for the four carriers was then combined to create a statewide summary of membership, claims, and premium in the New Hampshire individual insurance market in 2021, 2022, and 2023.

In order to perform projections for the waiver extension period of 2026 through 2030, we first needed to perform projections of the last two years of the current waiver period, 2024 and 2025. To supplement the historical three years of data, we also requested and received from each of the carriers aggregate enrollment on and off the Exchange for the first four months of 2024.

Enrollment in individual plans typically shows a pattern of being highest in January and then dropping throughout the year, increasing again the following January. 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 enhanced rate subsidies continued and open enrollment was allowed for enrollments through February effective dates. In 2023, Medicaid unwinding began in April and continued through much of the rest of the year. During that process, individual market enrollment grew steadily as some individuals who were disenrolled from Medicaid enrolled in the commercial market.

Early 2024 enrollment data suggests additional growth occurred during open enrollment and continued in the following months. As of April 2024, the full individual market enrollment (on and off Exchange) was 76,334. We reflected this early 2024 data in our projections and assumed the rest of 2024 would see an increase of 450 enrollees per month through November, followed by a typical 2% drop in December. Average 2024 annual enrollment is expected to be 77,027. For 2025, we assumed the enrollment would grow by 3%.

From the historical data, we were able to analyze the historical enrollment and premiums of the various membership components and project them for 2024 and 2025, as shown in the table below. Enrollment in this report is calculated as the average enrollment during the year, or member months divided by twelve.

Table 2 – Historical Membership and Premium with Projections Through 2025

	Actual			Projected	
	2021	2022	2023	2024	2025
Membership					
APTC On Exchange	30,373	33,911	37,595	45,317	46,677
Non-APTC on Exchange	14,531	14,478	15,415	18,510	19,065
On Exchange Combined	44,904	48,389	53,010	63,827	65,742
Off Exchange	7,914	9,318	11,975	13,200	13,596
Total Membership	52,818	57,707	64,985	77,027	79,338
Average Premium PMPM					
APTC Aggregate Rate	\$471.79	\$466.65	\$482.06	\$509.05	\$537.56
APTC Rate	\$131.70	\$142.76	\$168.93	\$172.31	\$175.76
APTC	\$340.09	\$323.88	\$313.13	\$336.74	\$361.80
Non-APTC on Exchange	\$388.07	\$386.88	\$397.70	\$419.97	\$443.49
On Exchange Total	\$444.70	\$442.78	\$457.53	\$483.22	\$510.28
Off Exchange	\$430.20	\$452.43	\$445.64	\$470.60	\$496.95
Total	\$442.52	\$444.34	\$455.34	\$481.06	\$508.00
Total Annual Premium					
APTC Aggregate	\$171,956,825	\$189,890,867	\$217,473,769	\$276,824,708	\$301,099,123
APTC Max Premium	\$48,002,639	\$58,093,446	\$76,210,884	\$93,702,510	\$98,444,649
APTC	\$123,954,186	\$131,797,420	\$141,262,885	\$183,122,198	\$202,654,473
Non-APTC Aggregate	\$67,668,799	\$67,217,106	\$73,566,003	\$93,283,345	\$101,461,896
On Exchange Total	\$239,625,624	\$257,107,973	\$291,039,772	\$370,108,052	\$402,561,019
Off Exchange	\$40,855,705	\$50,588,007	\$64,039,729	\$74,543,282	\$81,078,725
Total Premium	\$280,481,329	\$307,695,980	\$355,079,502	\$444,651,335	\$483,639,744

Projections for the five-year waiver extension period used this historical base, with assumptions that varied based on whether enhanced APTC is continued or not. The assumptions used were as follows:

A. If Enhanced APTC Is Continued

- Enrollment.** The New Hampshire individual market experienced rapid growth in the initial waiver period, primarily because of extended enrollment periods, enhanced APTC, and Medicaid unwinding. We have assumed that enrollment in the five-year period will increase annually by 3% due to population growth and economic factors.

The premium and membership data from the 2021 through 2023 carrier data included an indicator of APTC which currently includes members with incomes over 400% FPL, as well as those in Cost Sharing Reduction (CSR) categories. The CSR field informs if a person is in the 250%+ FPL bucket, but does not break it down to identify those over 400% FPL. Using actuarial judgement and reasonability checks, we estimated the number of members in the 250%+ FPL bucket that would fall in the 400%+ bucket. We assumed that 45% of the 250%+ FPL members would fall between 250% and 400% FPL, and the other 55% would be above 400% FPL.
- Premium.** We assumed that aggregate premium per member per month (PMPM) would increase at approximately the same pace as medical expenditures. To estimate the future trend of medical

expenditures, we used the National Health Expenditures Table 3⁷ projections. We used the projected trend for private health insurance, which includes employer sponsored insurance and other private insurance, including Marketplace plans. The trend rates from this source are shown in the table below.

Table 3 – National Health Expenditure Five-Year Trends 2026 Through 2030

Year	Trend
2026	4.2%
2027	5.3%
2028	5.2%
2029	5.0%
2030	5.3%

Because APTC maximum premium is based on a percent of income rather than the actual aggregate premium, it is not expected to increase at the same rate as aggregate premiums. We used a more conservative 2% trend for all years in projecting the APTC maximum premium, assuming that it would follow the approximate increase in FPL.

- Enrollment Without Waiver. Because there is no current or historical data to support assumptions related to what enrollment would have been in the absence of the current waiver, we have developed assumptions we believe are actuarially sound and reasonable, reflecting elasticity of demand and expected purchaser behavior.
 - We expect APTC enrollment would be a few percent higher because more individuals would qualify for APTC with aggregate premiums being higher. We chose to use a 4% assumption.
 - We expect non-APTC on Exchange enrollment would be slightly lower because more individuals would qualify for APTC. We chose to use a 1% assumption.
 - We expect off-Exchange enrollment would be lower because the premiums would be higher. We chose to use a 1% lower assumption.
- Premium Levels Without Waiver. New Hampshire insurers submit their rates both with and without the waiver, so we are able to evaluate how premiums would be different if the waiver was not in place. Based on the 2024 rate filings and our proprietary modeling for 2025, we have assumed that without waiver premiums would be approximately 12.4% higher than if the waiver was in place. With waiver rates would be 11% lower than without waiver rates.
- Exchange User Fees. Exchange user fees are paid by issuers to support the operations of the Exchange. They are calculated as a percentage of Exchange premiums. For benefit year 2025, CMS has finalized Exchange user fees at 1.5%.⁸ For purposes of the projections, we assumed the user fees will be maintained at the 1.5% level in future years.

⁷ Projected National Health Expenditure Data, Table 3. <https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data/projected>

⁸ <https://www.cms.gov/newsroom/fact-sheets/hhs-notice-benefit-and-payment-parameters-2025-final-rule>

- Average State Second Lowest Cost Silver Plan (SLCSP). New Hampshire's projected SLCSP is based on an age 40 non-smoker and trended using the National Health Expenditure trend rates shown in Table 3 above. The without waiver SLCSP was assumed to be 12.4% higher than the with waiver SLCSP, based on recent issuer rate filings.
- Premium Tax Credit (PTC) Adjustment. The PTC adjustment is a percentage that reflects the reconciliation of APTC at the end of a benefit year to reflect differences between estimated income and actual income for the year. The most recently published PTC adjustment for New Hampshire⁹ assumed a 99% ratio of PTC to APTC for 2023. We have assumed the adjustment will remain at that level through the five-year extension period.

B. If Enhanced APTC Is Not Continued

- Enrollment and Premium. We expect that there will be significant changes in the ACA enrollment if enhanced APTC is not continued. The projections used the following assumptions:
 - There will be no members above 400% FPL with APTC, but some of those members will choose to remain in Exchange coverage without a premium subsidy. We assumed 25% of them would remain and be reassigned to non-APTC on Exchange coverage at the same average premium assumed for current members in non-APTC on Exchange coverage, projected to be about 17% lower than the aggregate APTC premium. This rate differential assumes a buy-down in coverage for these members.
 - For the APTC members below 400%, we assumed 90% of them will stay in their current coverage.
 - The combined impact would be a reduction in Exchange enrollment of approximately 15,000 lives (22% of total). Because off-Exchange enrollment would not be affected, the overall impact on individual market enrollment would be a loss of 18% of members.
- Other Assumptions. Other assumptions remained the same as previously described.

The following tables show the details of the five-year projections. They are based on the historical and projected five-year initial waiver period experience and incorporate the assumptions previously described. The first set of projections displays the expected results if enhanced APTC is continued. The second set shows the expected results if enhanced APTC is not continued.

⁹ <https://www.cms.gov/files/document/1332-key-components-pass-through-aug-2023-with-ri-co.xlsx>

Five-Year Projections If Enhanced APTC is Continued

Table 4 – Enrollment and Premium 2026 Through 2030 With Waiver

	2026	2027	2028	2029	2030
Membership					
0% to 150% FPL	6,173	6,358	6,549	6,745	6,947
150% to 250% FPL	13,869	14,285	14,714	15,155	15,610
250% to 400% FPL	12,616	12,994	13,384	13,786	14,200
400% FPL +	15,419	15,882	16,358	16,849	17,354
APTC On Exchange	48,077	49,519	51,005	52,535	54,111
Non-APTC on Exchange	19,637	20,226	20,833	21,458	22,102
On Exchange Total	67,714	69,745	71,838	73,993	76,213
Off Exchange	14,004	14,424	14,857	15,303	15,762
Total Membership	81,718	84,169	86,695	89,296	91,975
Average Premium PMPM					
APTC Aggregate Rate	\$560.14	\$589.82	\$620.49	\$651.52	\$686.05
APTC Max Rate	\$179.27	\$182.86	\$186.51	\$190.24	\$194.05
APTC	\$380.87	\$406.97	\$433.98	\$461.28	\$492.00
Non-APTC on Exchange	\$462.12	\$486.61	\$511.91	\$537.51	\$566.00
On Exchange Total	\$531.71	\$559.89	\$589.01	\$618.46	\$651.23
Off Exchange	\$517.82	\$545.27	\$573.62	\$602.30	\$634.23
Total Premium	\$529.33	\$557.39	\$586.37	\$615.69	\$648.32
Total Annual Premium					
APTC Aggregate	\$323,155,561	\$350,489,095	\$379,779,166	\$410,729,995	\$445,473,234
APTC Premium	\$103,425,282	\$108,657,921	\$114,156,974	\$119,932,975	\$126,001,467
APTC	\$219,730,279	\$241,831,175	\$265,622,192	\$290,797,021	\$319,471,767
Non-APTC Aggregate	\$108,895,272	\$118,106,080	\$127,976,376	\$138,406,515	\$150,116,088
On Exchange Total	\$432,050,832	\$468,595,176	\$507,755,542	\$549,136,510	\$595,589,322
Off Exchange	\$87,019,298	\$94,379,476	\$102,267,752	\$110,604,670	\$119,960,034
Total Premium	\$519,070,131	\$562,974,652	\$610,023,294	\$659,741,180	\$715,549,356
Exchange Fees (1.5%)	\$6,480,762	\$7,028,928	\$7,616,333	\$8,237,048	\$8,933,840

- Individual market enrollment will range from approximately 82,000 to 92,000 during the five-year period. Approximately 68,000 to 76,000 will purchase Exchange coverage and 487,000 to 54,000 of them will receive APTC.
- Average PMPM premiums for APTC members will range from \$179 to \$194 per month. Total aggregate PMPM premium will range from \$529 to \$648 per month.
- Total premium for Exchange members will range from \$432 million to \$595 million.

Table 5 – Enrollment and Premium 2026 Through 2030 Without Waiver

	2026	2027	2028	2029	2030
Membership					
0% to 150% FPL	6,420	6,612	6,811	7,015	7,225
150% to 250% FPL	14,424	14,856	15,303	15,761	16,234
250% to 400% FPL	13,121	13,514	13,919	14,337	14,768
400% FPL +	16,036	16,517	17,012	17,523	18,048
APTC On Exchange	50,001	51,499	53,045	54,636	56,275
Non-APTC on Exchange	17,036	17,549	18,075	18,617	19,176
On Exchange Total	67,037	69,048	71,120	73,253	75,451
Off Exchange	13,864	14,279	14,708	15,150	15,604
Total Membership	80,901	83,327	85,828	88,403	91,055
Average Premium PMPM					
APTC Aggregate Rate	\$629.74	\$663.12	\$697.60	\$732.48	\$771.30
APTC Max Rate	\$201.55	\$205.58	\$209.69	\$213.88	\$218.16
APTC	\$428.19	\$457.54	\$487.91	\$518.60	\$553.14
Non-APTC on Exchange	\$519.54	\$547.08	\$575.53	\$604.30	\$636.33
On Exchange Total	\$601.74	\$633.63	\$666.57	\$699.90	\$737.00
Off Exchange	\$582.17	\$613.03	\$644.90	\$677.15	\$713.04
Total Premium	\$598.38	\$630.10	\$662.86	\$696.00	\$732.89
Total Annual Premium					
APTC Aggregate	\$377,851,798	\$409,798,128	\$444,049,482	\$480,236,439	\$520,858,898
APTC Premium	\$120,930,702	\$127,044,787	\$133,475,845	\$140,228,825	\$147,324,194
APTC	\$256,921,096	\$282,753,341	\$310,573,637	\$340,007,614	\$373,534,705
Non-APTC Aggregate	\$106,210,261	\$115,205,184	\$124,829,060	\$135,004,161	\$146,426,361
On Exchange Total	\$484,062,059	\$525,003,312	\$568,878,542	\$615,240,599	\$667,285,260
Off Exchange	\$96,855,646	\$105,044,146	\$113,825,865	\$123,105,099	\$133,516,010
Total Premium	\$580,917,704	\$630,047,458	\$682,704,406	\$738,345,698	\$800,801,270
Exchange Fees (1.5%)	\$7,260,931	\$7,875,050	\$8,533,178	\$9,228,609	\$10,009,279

- Individual market enrollment will decrease to an annual average of about 81,000 to 91,000 members. Approximately 67,000 to 75,000 will purchase Exchange coverage and approximately 50,000 to 56,000 of them will receive APTC.
- Average PMPM premiums for APTC members will range from \$201 to \$218 per month. Total aggregate PMPM premium will range from \$598 to \$732 per month.
- Total premium for Exchange members will range from \$484 million to \$667 million.

Table 6 – Deficit Neutrality 2026 Through 2030

	2026	2027	2028	2029	2030
Without Waiver					
Average State SLCSP	\$410.31	\$432.06	\$454.52	\$477.25	\$502.54
APTC Aggregate Premium	\$377,851,798	\$409,798,128	\$444,049,482	\$480,236,439	\$520,858,898
APTC Max Premium	\$120,930,702	\$127,044,787	\$133,475,845	\$140,228,825	\$147,324,194
Total APTC	\$256,921,096	\$282,753,341	\$310,573,637	\$340,007,614	\$373,534,705
Total PTC	\$254,351,885	\$279,925,808	\$307,467,900	\$336,607,538	\$369,799,357
With Waiver					
Average State SLCSP	\$364.96	\$384.30	\$404.29	\$424.50	\$447.00
APTC Aggregate Premium	\$323,155,561	\$350,489,095	\$379,779,166	\$410,729,995	\$445,473,234
APTC Max Premium	\$103,425,282	\$108,657,921	\$114,156,974	\$119,932,975	\$126,001,467
Total APTC	\$219,730,279	\$241,831,175	\$265,622,192	\$290,797,021	\$319,471,767
Total PTC	\$217,532,976	\$239,412,863	\$262,965,970	\$287,889,051	\$316,277,050
PTC Savings	\$36,818,909	\$40,512,945	\$44,501,930	\$48,718,487	\$53,522,308
Exchange Fee Decrease	\$780,168	\$846,122	\$916,845	\$991,561	\$1,075,439
Net Federal Funding	\$36,038,741	\$39,666,823	\$43,585,085	\$47,726,926	\$52,446,869
State Funding ¹⁰	\$13,476,800	\$14,064,800	\$14,829,200	\$15,652,400	\$16,416,800
Total Funding/Reinsurance	\$49,515,541	\$53,731,623	\$58,414,285	\$63,379,326	\$68,863,669

- Total PTC without waiver would range from \$254 million to \$369 million during the five-year period.
- Total PTC with the waiver would range from \$217 million to \$316 million during the period.
- The federal government's savings, adjusted for the loss of Exchange fees, would range from \$36 million to \$52 million. These funds would be passed through to the state of New Hampshire.
- The state would provide additional funding of \$13 million to \$16 million.
- The combined funding of \$49.5 million to \$68.8 million would be used to fund the reinsurance program, resulting in a reduction in rates of approximately 11%.

¹⁰ State Funding is calculated as 0.6% of the prior plan year average SLCSP without waiver for a 40-year-old non-smoker. The average SLCSP without waiver for 2025 is projected to be \$393.77. The 2026 assessment is thus 0.6% of \$393.77, or \$2.36 PMPM. All years assume an assessment base of 490,000 lives.

Five-Year Projections If Enhanced APTC is Not Continued

Table 7 – Enrollment and Premium 2026 Through 2030 With Waiver

	2026	2027	2028	2029	2030
Membership					
0% to 150% FPL	5,556	5,722	5,894	6,071	6,252
150% to 250% FPL	12,482	12,857	13,243	13,640	14,049
250% to 400% FPL	11,354	11,695	12,046	12,407	12,780
400% FPL +	-	-	-	-	-
APTC On Exchange	29,392	30,273	31,182	32,117	33,081
Non-APTC on Exchange	23,492	24,197	24,923	25,670	26,441
On Exchange Total	52,884	54,470	56,105	57,788	59,522
Off Exchange	14,004	14,424	14,857	15,303	15,762
Total Membership	66,888	68,894	70,962	73,091	75,284
Average Premium PMPM					
APTC Aggregate Rate	\$560.14	\$589.82	\$620.49	\$651.52	\$686.05
APTC Max Rate	\$179.27	\$182.86	\$186.51	\$190.24	\$194.05
APTC	\$380.87	\$406.97	\$433.98	\$461.28	\$492.00
Non-APTC on Exchange	\$462.12	\$486.61	\$511.91	\$537.51	\$566.00
On Exchange Total	\$516.59	\$543.97	\$572.26	\$600.87	\$632.72
Off Exchange	\$517.82	\$545.27	\$573.62	\$602.30	\$634.23
Total Premium	\$516.85	\$544.24	\$572.55	\$601.17	\$633.04
Total Annual Premium					
APTC Aggregate	\$197,563,344	\$214,270,513	\$232,180,921	\$251,100,781	\$272,344,508
APTC Premium	\$63,229,747	\$66,427,711	\$69,790,746	\$73,321,316	\$77,032,254
APTC	\$134,333,596	\$147,842,802	\$162,390,175	\$177,779,466	\$195,312,254
Non-APTC Aggregate	\$130,271,452	\$141,291,099	\$153,098,029	\$165,576,002	\$179,583,043
On Exchange Total	\$327,834,795	\$355,561,612	\$385,278,950	\$416,676,783	\$451,927,552
Off Exchange	\$87,019,298	\$94,379,476	\$102,267,752	\$110,604,670	\$119,960,034
Total Premium	\$414,854,094	\$449,941,088	\$487,546,702	\$527,281,453	\$571,887,586
Exchange Fees (1.5%)	\$4,917,522	\$5,333,424	\$5,779,184	\$6,250,152	\$6,778,913

- Individual market enrollment will drop to an annual average of 67,000 to 75,000 during the period. Approximately 53,000 to 59,000 will purchase Exchange coverage and 29,000 to 33,000 of them will receive APTC.
- Average PMPM premiums for APTC members will range from \$179 to \$194 per month. Total aggregate PMPM premium will range from \$516 to \$632 per month.
- Total premium for Exchange members will range from \$328 million to \$452 million.

Table 8 – Enrollment and Premium 2026 Through 2030 Without Waiver

	2026	2027	2028	2029	2030
Membership					
0% to 150% FPL	5,778	5,951	6,130	6,313	6,502
150% to 250% FPL	12,981	13,371	13,772	14,185	14,611
250% to 400% FPL	11,809	12,162	12,527	12,904	13,291
400% FPL +	-	-	-	-	-
APTC On Exchange	30,568	31,484	32,429	33,402	34,404
Non-APTC on Exchange	21,787	22,441	23,115	23,808	24,523
On Exchange Total	52,355	53,925	55,544	57,210	58,927
Off Exchange	13,864	14,280	14,708	15,150	15,604
Total Membership	66,219	68,205	70,252	72,360	74,531
Average Premium PMPM					
APTC Aggregate Rate	\$629.74	\$663.12	\$697.60	\$732.48	\$771.30
APTC Max Rate	\$201.55	\$205.58	\$209.69	\$213.88	\$218.16
APTC	\$428.19	\$457.54	\$487.91	\$518.60	\$553.14
Non-APTC on Exchange	\$519.54	\$547.08	\$575.53	\$604.30	\$636.33
On Exchange Total	\$583.88	\$614.83	\$646.80	\$679.14	\$715.13
Off Exchange	\$582.17	\$613.03	\$644.90	\$677.15	\$713.04
Total Premium	\$583.52	\$614.45	\$646.40	\$678.72	\$714.69
Total Annual Premium					
APTC Aggregate	\$230,998,855	\$250,530,773	\$271,469,142	\$293,595,020	\$318,429,668
APTC Premium	\$73,930,715	\$77,669,044	\$81,600,305	\$85,729,614	\$90,067,376
APTC	\$157,068,140	\$172,861,729	\$189,868,837	\$207,865,406	\$228,362,292
Non-APTC Aggregate	\$135,831,985	\$147,324,496	\$159,637,810	\$172,645,238	\$187,253,692
On Exchange Total	\$366,830,841	\$397,855,268	\$431,106,952	\$466,240,258	\$505,683,359
Off Exchange	\$96,853,896	\$105,047,442	\$113,824,843	\$123,107,508	\$133,518,475
Total Premium	\$463,684,736	\$502,902,711	\$544,931,796	\$589,347,767	\$639,201,834
Exchange Fees (1.5%)	\$5,502,463	\$5,967,829	\$6,466,604	\$6,993,604	\$7,585,250

- Individual market enrollment will decrease to an annual average of about 66,000 to 74,000 members. Approximately 52,000 to 59,000 will purchase Exchange coverage and approximately 30,000 to 34,000 of them will receive APTC.
- Average PMPM premiums for APTC members will range from \$201 to \$218 per month. Total aggregate PMPM premium will range from \$583 to \$714 per month.
- Total premium for Exchange members will range from \$367 million to \$505 million.

Table 9 – Deficit Neutrality 2026 Through 2030

	2026	2027	2028	2029	2030
Without Waiver					
Average State SLCSP	\$410.31	\$432.06	\$454.52	\$477.25	\$502.54
APTC Aggregate Premium	\$230,998,855	\$250,530,773	\$271,469,142	\$293,595,020	\$318,429,668
APRC Max Premium	\$73,930,715	\$77,669,044	\$81,600,305	\$85,729,614	\$90,067,376
Total APTC	\$157,068,140	\$172,861,729	\$189,868,837	\$207,865,406	\$228,362,292
Total PTC	\$155,497,459	\$171,133,112	\$187,970,149	\$205,786,752	\$226,078,669
With Waiver					
Average State SLCSP	\$364.96	\$384.30	\$404.29	\$424.50	\$447.00
APTC Aggregate Premium	\$197,563,344	\$214,270,513	\$232,180,921	\$251,100,781	\$272,344,508
APRC Max Premium	\$63,229,747	\$66,427,711	\$69,790,746	\$73,321,316	\$77,032,254
Total APTC	\$134,333,596	\$147,842,802	\$162,390,175	\$177,779,466	\$195,312,254
Total PTC	\$132,990,260	\$146,364,374	\$160,766,273	\$176,001,671	\$193,359,132
PTC Savings	\$22,507,199	\$24,768,738	\$27,203,876	\$29,785,081	\$32,719,537
Exchange Fee Decrease	\$584,941	\$634,405	\$687,420	\$743,452	\$806,337
Net Federal Funding	\$21,922,258	\$24,134,333	\$26,516,455	\$29,041,629	\$31,913,200
State Funding	\$13,476,800	\$14,064,800	\$14,829,200	\$15,652,400	\$16,416,800
Total Funding/Reinsurance	\$35,399,058	\$38,199,133	\$41,345,655	\$44,694,029	\$48,330,000

- Total PTC without waiver would range from \$155 million to \$226 million during the five-year period.
- Total PTC with the waiver would range from \$133 million to \$193 million during the period.
- The federal government's savings, adjusted for the loss of Exchange fees, would range from \$22 million to \$32 million. These funds would be passed through to the state of New Hampshire.
- The state would provide additional funding of \$13 million to \$16 million.
- The combined funding of \$35.4 million to \$48.3 million would be used to fund the reinsurance program, resulting in a reduction in rates of approximately 11%.

Disclosures and Limitations

Leif Associates, Inc., was engaged by the New Hampshire Health Plan to assist in performing actuarial and economic analyses as part of its State Innovation Waiver extension application under Section 1332 of the Patient Protection and Affordable Care Act. The actuarial services provided consisted of analyses and forecasting to determine whether the proposed Section 1332 Waiver extension will satisfy the Section 1332 Waiver guardrail requirements.

Elizabeth Leif and Clair Christofersen, both Members of the American Academy of Actuaries, are responsible for this actuarial report, and both meet the qualification requirements to perform this work. Ms. Leif is a Fellow of the Society of Actuaries, and Ms. Christofersen is an Associate of the Society of Actuaries. For our analysis, we relied on a wide range of data and information as described throughout the report. This includes information received from the issuers currently offering coverage in the individual ACA market in New Hampshire. Though we have reviewed the data for reasonableness and consistency, we have not independently audited or otherwise verified this data. Our review of the data may not reveal errors or omissions. We have assumed the data provided is both accurate and complete. The results of our analyses are dependent on this assumption. If this data or information is found to be inaccurate or incomplete, our findings and conclusions may need to be revised. All projections are based on data and information available as of April 30, 2024, and the projections are not a guarantee of results.

Our estimates assume that current law as it relates to the Affordable Care Act, and other statutes and regulations that impact the health insurance markets, will continue in future years without material change that would impact the results included in this report, with the exception of the possible expiration of enhanced APTC that was implemented due to the American Rescue Plan Act and continued through 2025 by the Inflation Reduction Act. This potential future change has been considered in the projections.

In addition, the projections shown in this report are dependent on a number of assumptions regarding the future economic environment, medical trend rates, issuer and purchaser behavior, and other factors. These assumptions are disclosed in the report.

This analysis complies with the applicable Actuarial Standards of Practice, in particular ASOP No. 23, Data Quality, and ASOP No. 41, Actuarial Communications. Users of this analysis should recognize that our projections involve estimates of future events and may be subject to unforeseen variations from the projected values. If future conditions are at variance with the assumptions we have used, actual results will vary from our projections.

Actuarial Certification

I, Elizabeth Leif, am a Senior Consulting Actuary and owner of Leif Associates, Inc. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries, and am qualified to provide the following certification.

This actuarial certification applies to the State of New Hampshire's application for an extension of its State Innovation Waiver under Section 1332 of the Patient Protection and Affordable Care Act. The State is seeking to continue its existing 1332 waiver, which implemented a reinsurance mechanism that resulted in reduction in premium for individuals seeking health insurance coverage in New Hampshire's individual market.

Reliance

In performing the analyses outlined in this report and arriving at this opinion, Leif Associates used and relied upon information published by the federal government, public sources, information provided by insurers offering coverage in the individual ACA-compliant market in New Hampshire, and the New Hampshire Health Plan.

We used and relied on this information without independent investigation or audit. If this information is found to be inaccurate, incomplete, or out of date, our findings and conclusions may need to be revised. While we have relied on the data provided without independent investigation or audit, we have reviewed the data for consistency and reasonableness. Where data was found to be inconsistent or unreasonable, we requested clarification.

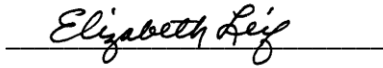
Actuarial Certification

In my opinion, the State of New Hampshire's proposed Section 1332 Waiver extension application complies with the following requirements:

- Comprehensive Coverage – 1332(b)(1)(A). The waiver extension does not make alterations to the required scope of benefits offered in the New Hampshire insurance market and will not result in a decrease in the number of individuals with coverage that meet the ACA's Essential Health Benefits requirements.
- Affordability – 132(b)(1)(B). The waiver extension will not decrease existing coverage or cost-sharing protections against excessive out-of-pocket spending. The waiver will not result in any decrease in affordability for individuals.
- Scope of Coverage – 1332(b)(1)(C). The waiver extension will provide coverage to at least a comparable number of residents as would be provided coverage absent the waiver.
- Federal Deficit Neutrality – 1332(b)(1)(D). The waiver will not result in increased spending, administrative, or other expenses to the federal government.

The actuarial methodologies utilized to arrive at this opinion are those that are considered generally accepted within the industry and are consistent with all applicable Actuarial Standards of Practice. This

certification conforms to the applicable Actuarial Standards of Practice promulgated by the Actuarial Standards Board.

A handwritten signature in cursive script, reading "Elizabeth Leif", is positioned above a solid horizontal line.

Elizabeth J. Leif, FSA, MAAA

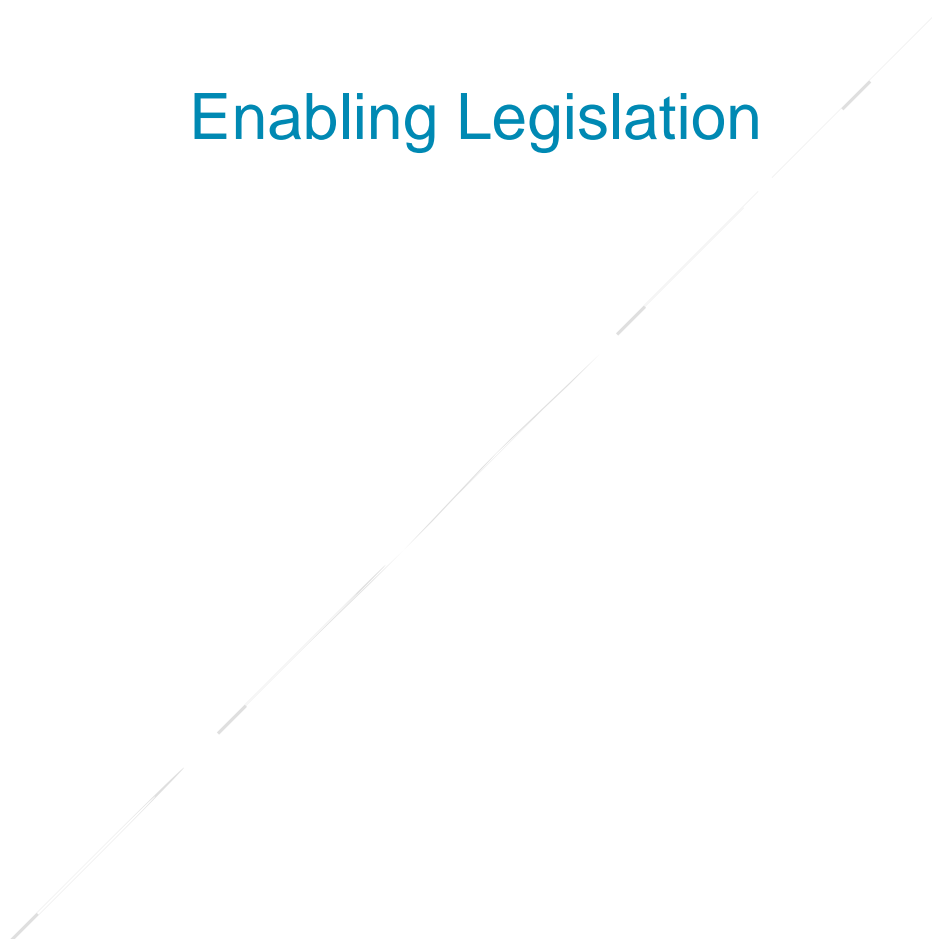
Leif Associates, Inc.

(303) 294-0994

June 7, 2024

Appendix B

Enabling Legislation



TITLE XXXVII INSURANCE

CHAPTER 404-G INDIVIDUAL HEALTH INSURANCE MARKET

Section 404-G:12

404-G:12 Contingency. –

I. Notwithstanding RSA 404-G:11, and if supported by the recommendations of actuarial experts retained by the department, the commissioner may request that the board of directors of the association develop a plan of operation to support the affordability and accessibility of health insurance in the state's individual health insurance market. The proposal may include resumption of a risk sharing program similar to that referenced in RSA 404-G:5, creation and operation of a reinsurance program, or such other program as the board finds will best support the availability and affordability of health insurance in the state and may also include the development of a waiver application under the Act. The commissioner shall approve the revised plan of operations if the commissioner finds that the plan will further the purpose of this chapter as stated in RSA 404-G:1, I, and is otherwise consistent with New Hampshire and federal law.

II. The board's proposal may include a recommendation that the state apply for a waiver under the Act, or any successor to the Act. If the approved plan includes an application for a waiver, the commissioner and the board shall proceed in accordance with RSA 420-N:6-a. If the waiver is approved by the federal government, the board shall prepare a revised plan of operations consistent with the terms of the waiver, and shall implement it upon approval by the commissioner.

Source. 2013, 200:2. 2017, 221:4, eff. July 10, 2017. 2019, 346:420, eff. July 1, 2019.

TITLE XXXVII INSURANCE

CHAPTER 420-N FEDERAL HEALTH CARE REFORM 2010

Section 420-N:6-a

420-N:6-a Waiver. – If such action is supported by the recommendations of actuarial experts retained by the department as being consistent with the purposes of RSA 404-G:1, I, the commissioner shall, at the earliest practicable date, submit an application on behalf of the state to the United States Secretary of the Treasury, and if required, to the United States Secretary of Health and Human Services, to waive certain provisions of the Act, as provided in section 1332 of the Act, or any other applicable waiver provision in order to create a risk sharing or reinsurance mechanism for the individual market under RSA 404-G which is eligible to draw down federal pass-through funding to support such mechanism. The commissioner shall publish and accept public comment on the 1332 waiver application and the plan of operation for the individual market mechanism prior to approving such plans. Upon approval of the joint health care reform oversight committee, the commissioner shall implement any federally approved waiver, including but not limited to overseeing the implementation of a revised plan of operations under RSA 404-G:12.

Source. 2017, 221:7, eff. July 10, 2017. 2019, 346:421, eff. July 1, 2019.

TITLE XXXVII

INSURANCE

CHAPTER 404-G

INDIVIDUAL HEALTH INSURANCE MARKET

Section 404-G:3

404-G:3 Association's Powers and Duties. –

I. The association shall be a not-for-profit, voluntary corporation under RSA 292 and shall possess all general powers as derive from that status and such additional powers and duties as are approved by the commissioner or as specified below.

II. The board of directors of the association shall have the following powers:

- (a) Enter into contracts as necessary or proper to administer the plan of operation.
- (b) Sue or be sued, including taking any legal action necessary or proper for the recovery of any assessments for, on behalf of, or against members of the association or other participating person.
- (c) Take legal action as necessary to avoid the payment of improper claims against the plan or to defend the coverage provided by or through the pool.
- (d) Oversee the issuance of policies of insurance and certificates or evidences of coverage.
- (e) Retain appropriate legal, actuarial, and other persons as necessary to provide technical assistance in the operation of the plan, policy development, and other contract design and in any other function within the authority of the plan.
- (f) Borrow money to carry out the plan of operation.
- (g) Provide for reinsurance of risks incurred.
- (h) Perform any other functions within the authority of the association as may be necessary or proper to carry out the plan of operation.
- (i) Perform additional powers as set forth in RSA 404-G:5-g.

III. The board of directors of the association shall have the following duties:

- (a) Fulfill the plan of operation as approved by the commissioner.
- (b) Issue policies of insurance to persons eligible for the high risk pool.
- (c) Prepare certificate of eligibility forms and enrollment instruction forms.
- (d) Determine and collect assessments for the risk sharing mechanism and for the high risk pool.
- (e) Disburse assessment payments, as provided in the plan of operation for the high risk pool.
- (f) Establish appropriate rates, rate schedules, rate adjustments, expense allowances, agent referral fees, claim reserve formulas and any other actuarial functions appropriate to the plan of operation for the high risk pool.
- (g) Provide for and employ cost-containment measures and requirements, which shall include but not be limited to, preadmission screening, second surgical opinion, concurrent utilization review, and individual case management for the purpose of making the benefit plan more cost effective.
- (h) Develop a list of medical or health conditions the existence or history of which makes an individual eligible for participation in the high risk pool without first requiring application to a carrier for health coverage.
- (i) In connection with the managed care or network based coverage options required pursuant to

RSA 404-G:5-b, III, design, utilize, contract or otherwise arrange for the delivery of cost-effective health care services, including establishing or contracting for administration and operation of the pool with a carrier, a preferred provider organization, a health maintenance organization, or any other network provider arrangement.

IV. Neither the association nor its employees shall be liable for any obligations of the plan. No member or employee of the association shall be liable, and no cause of action of any nature may arise against them, for any act or omission related to the performance of their powers and duties under this chapter unless such act or omission constitutes willful or wanton misconduct. The association may provide in its bylaws or rules for indemnification of, and legal representation for, its members and employees.

Source. 1998, 340:6. 2001, 295:7. 2010, 243:5, eff. July 1, 2010.



The State of New Hampshire Insurance Department

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

Alexander K. Feldvebel
Acting Commissioner

In the Matter of
The Individual Health Insurance Market
in New Hampshire
Docket: INS No. 20-009-AP

ORDER

A. Procedural History and Jurisdiction

Historically, the individual health insurance market has been more vulnerable than group markets to adverse selection and other destabilizing forces. As a result, since 1998, the New Hampshire Legislature has provided regulatory authority to the New Hampshire Insurance Department ("the Department"), pursuant to RSA 404-G (Individual Health Insurance Market), to protect New Hampshire citizens who participate in the individual market by supporting risk sharing mechanisms that (1) equitably distribute excessive risk associated with the individual market and (2) enable insurers "to better protect against the costs of covering high risk individuals." RSA 404-G:1 (I). To achieve that purpose, the New Hampshire Individual Health Plan Association ("the Health Plan") was created to facilitate the availability of affordable individual health insurance by establishing (1) an assessment mechanism and (2) a mandatory risk sharing plan to distribute the risks associated within the individual market. See RSA 404-G:1 (II). The Health Plan has implemented several risk sharing mechanisms since 1998 to achieve the purpose set forth in RSA 404-G:1, including a risk subsidy mechanism (1998); a high risk pool (2002); and a federal high risk pool (2013).

In recent years (until 2019), the Medicaid Expansion population purchased insurance in the individual market in New Hampshire. This made it impracticable for the state to pursue a market stabilization program under a 1332 waiver, as federal law does not allow for federal Medicaid funds to be contributed to such a program. This barrier was removed in 2019 when the Medicaid Expansion population was moved out of the individual market and into a Medicaid Managed Care program.

To address current needs within the individual insurance market, during the 2019 New Hampshire legislative session, House Bill 4 was signed into law, which amended RSA 404-G and RSA 420-N (Federal Healthcare Reform) with new provisions within RSA 404-G:12 (Contingency) and RSA 420-N:6-a (Waiver). RSA 404-G:12 authorizes the Insurance Commissioner, if supported by the recommendations of actuarial experts retained by the New Hampshire Insurance Department ("Department"), to request the Board of Directors of the

Health Plan to develop a Plan of Operation to support the affordability and accessibility of health insurance in New Hampshire's individual health insurance market. Likewise, if supported by analysis of actuarial experts retained by the Department, RSA 420-N:6-a, requires the Department to submit an application to the federal government, on behalf of the state, to waive certain provisions of the Affordable Care Act ("the ACA") in order to create a risk sharing or reinsurance mechanism for the individual health insurance market.

B. Findings of Fact

In 2017, five insurers participated in the individual health insurance market in New Hampshire. In 2020, only three insurers issue health insurance policies in New Hampshire in the individual market.

Over the past several years, the Department has retained Gorman Actuarial, an actuarial healthcare consulting firm, to provide analytic support of the Department's annual hearings on health insurance premiums and to review and analyze medical claim cost drivers within New Hampshire. From 2017 to 2019, Gorman Actuarial reported that the number of individuals insured and receiving premium tax subsidies from the federal government within the individual health insurance market remained relatively stable with approximately 29,000 insureds in 2017 and approximately 30,000 insureds in 2019. By comparison, the number of individuals insured without premium tax subsidies has decreased sharply from approximately 25,000 insureds to approximately 16,000 insureds.

This past year, the Department retained NovaRest Actuarial Consulting, ("NovaRest") to provide actuarial analysis and policy evaluation of New Hampshire's individual health insurance market, including the impact a Section 1332 Waiver would have in New Hampshire's individual insurance market if such a program were to be implemented. The federal program providing for Section 1332 State Relief and Empowerment Waivers under the ACA ("1332 waiver")¹ allows states to apply for federal funding to support programs that reduce premium tax credit² expenditures by the federal government within the individual market. The 1332 waiver program transfers the federal savings associated with premium reductions to states, which is known as federal pass through funding.³ According to federal guidelines,⁴ in order to be approved by the federal government, states have to demonstrate that a 1332 waiver program meets four requirements, as follows:

¹ "Section 1332: State Innovation Waivers." The Center for Consumer Information & Insurance Oversight. <https://www.ams.gov/CCIIO/Programs-and-Initiatives/State-Innovation>.

² Premium tax credits are income based and calculated against the cost of the 2nd lowest cost silver plan.

³ Premium tax savings, or pass through funding, is calculated against the cost of the 2nd lowest cost silver plan with the waiver program versus the cost of the 2nd lowest cost silver plan without the waiver program. Savings, in the first instance, are realized via a State share, a source of funds made available by the State. The pass through savings are leveraged by the State share. Other states with 1332 programs have generally leveraged between 2 and 3 federal pass through dollars for every state share dollar.

⁴ See 45 CFR 155.1308(t).

make alterations to the required scope of benefits offered in the state and cannot result in a decrease in -the number of individuals with coverage that meet the ACA's Essential Health Benefits requirements.

- (2) Affordability - 1332(b)(1)(B) provision: The proposed waiver cannot decrease existing coverage or cost sharing protections against excessive out-of-pocket spending. The waiver cannot result in any decrease in affordability for individuals.
- (3) Scope of Coverage - 1332(b)(1)(C) provision: The proposed waiver must provide coverage to at least a comparable number of residents as would be provided coverage absent the waiver.
- (4) Federal Deficit Neutrality - 1332(b)(1)(D) provision: The proposed waiver cannot result in increased spending, administrative, or other expenses to the federal government.

The Department sought NovaRest's expert analysis to evaluate the potential success of a 1332 waiver program, such as the ability (1) to fund high cost claims; (2) to increase the number of individuals within the individual market; and (3) to increase the number of insurers writing policies in this market. On February 6, 2020, NovaRest issued a report entitled "Health Insurance Individual Market Study and 1332 Waiver Analysis."⁵ According to this report, in 2021 the number of individuals receiving premium tax subsidies is expected to remain relatively stable at approximately 30,000 insureds regardless of whether New Hampshire implements a risk sharing mechanism or a reinsurance plan. However, for individual insureds who do not receive premium tax subsidies from the federal government, if New Hampshire does not implement a reinsurance or risk sharing mechanism for 2021, the number of insureds in this segment of the individual health insurance market decrease by an additional 6%.

According to the NovaRest report, from 2017 to 2020 individual premium rates have increased by approximately 35%. For example, in 2017, Gorman Actuarial reported that the average individual market premium was \$406 per month while in 2020, NovaRest reported an average individual market premium of \$548 per month. NovaRest estimates that in 2021 the average individual health insurance premium, absent any risk sharing or reinsurance mechanism, will be \$573. Notably, that figure is 41% more than the 2017 rate.

In contrast, NovaRest estimates that the 2021 average premium, if a risk sharing mechanism is implemented, will be \$480. This premium amount is 18% more than the 2017 rate but much less than what the premium will be without a reinsurance mechanism. As a result, NovaRest projects that the non-subsidized membership in the 2021 individual market will increase 6% compared to the baseline if a 1332 waiver program is not implemented. In addition, for 2021, the proposed reinsurance program is estimated to cover 74% of paid claims between \$60,000 and \$400,000. According to NovaRest, a 1332 waiver program in New Hampshire

⁵ <https://www.nh.gov/insurance/reports/documents/nh-section-1332-waiver-actuarial-report-feb-2020.pdf>

would operate much like the temporary ACA Transitional Reinsurance program that was in place between 2014 and 2016. The 1332 waiver reinsurance mechanism allows enrollees to remain in

the individual market with their current plan and issuer. However, a portion of their claims are reimbursed back to their issuers by the reinsurance program without negative consequences to enrollees. Enrollees are unaware that their claims are being paid via the reinsurance pool. Finally, NovaRest's actuarial analysis reflects that the implementation of a 1332 waiver program satisfies the four requirements necessary for approval by the federal government, as outlined above. Overall, given these results, NovaRest concludes that the implementation of a 1332 waiver program will promote the stability of the individual health insurance market in New Hampshire.

C. Legal Analysis and Conclusions of Law

Pursuant to RSA 404-G:12 (I), if supported by recommendations of actuarial experts, the Department may request the Board of Directors of the Health Plan ("the Board") to develop a Plan of Operation to support the affordability and accessibility of health insurance in New Hampshire's individual health insurance market. The Board's proposal may include a recommendation that the state apply for a 1332 waiver and, if approved by the Department, the Department and the Board shall proceed consistent with RSA 420-N:6-a. See RSA 404-G:12 (II). Moreover, once established by actuarial experts that a 1332 waiver program is consistent with RSA 404-G:1,⁶ RSA 420-N:6-a⁷ requires the Department to submit a 1332 waiver application to the federal government, as soon as practicable, in order to protect New Hampshire citizens participating in the individual health insurance market.

NovaRest's actuarial report demonstrates that a reinsurance mechanism would improve the affordability of insurance in the individual market and recommends that New Hampshire should apply for a 1332 waiver with the federal government. To the contrary, based upon actuarial analysis, considering the current individual market conditions, if a 1332 waiver plan is not implemented, the individual health insurance market in New Hampshire will deteriorate with higher premium rates and less participation by New Hampshire citizens.

⁶ RSA 404-G: I Purpose of Provisions- The purpose of this chapter is to:

I .Protect the citizens of this state who participate in the individual health insurance market by providing a mechanism to equitably distribute the excessive risk sometimes associated with this market and to enable insurers to better protect against the costs of covering high risk individuals .

⁷ 420-N:6-a Waiver. - If such action is supported by the recommendations of actuarial experts retained by the department as being consistent with the purposes of RSA 404-G:1, I, the commissioner shall, at the earliest practicable date, submit an application on behalf of the state to the United States Secretary of the Treasury, and if required, to the United States Secretary of Health and Human Services , to waive certain provisions of the Act, as provided in section 1332 of the Act, or any other applicable waiver provision in order to create a risk sharing or reinsurance mechanism for the individual market under RSA 404-G which is eligible to draw down federal pass-through funding to support such mechanism. The commissioner shall publish and accept public comment on the 1332 waiver application and the plan of operation for the individual market mechanism prior to approving such plans. Upon approval of the joint health care reform oversight committee, the commissioner shall implement any federally approved waiver, including but not limited to overseeing the implementation of a revised plan of operations under RSA 404-G:12.

Considering the foregoing, as soon as possible, but no later than 30 days from today's date, the Board shall develop and submit to the Department for approval a Reinsurance Risk

Mechanism Plan of Operations that includes the 1332 waiver program within the individual health insurance market that provides substantially as set forth below.

Reinsurance Risk Mechanism Plan of Operation

1. *Purpose & Description of Risk to be Shared* - The Board shall prepare a Plan of Operation for approval by the Commissioner, and following such approval, operate a reinsurance mechanism to offset claims incurred and paid by insurers of individual health insurance in New Hampshire using a financial subsidy furnished by Health Plan members and grant funds furnished by the federal government. Individual health insurance, as defined in RSA 404-G:2 VII. and VIII., that is eligible for this reinsurance program includes policies, contracts, or certificates (other than a converted policy) issued in New Hampshire by a licensed insurer covering a New Hampshire resident insured and dependents, to provide, deliver, arrange for, pay for or reimburse the costs of health care services consistent with ACA requirements. Individual health insurance not subject to the ACA's single risk pool requirements shall not be eligible for reinsurance. This ineligible coverage includes, but is not limited to, transitional coverage and grandfathered coverage.
2. *Assessment Amount and Mechanism* - Assessments shall commence January 1, 2021. The Health Plan will assess its members based upon assessable lives per month, also referred to as "per member per month" (PMPM) basis. For calendar year 2021, the monthly assessment rate shall be \$2.43 PMPM. This is equal to 60 basis points of the 2nd lowest cost silver plan monthly rate for a 40 year old insured in the previous year, 2020, which was \$404.60 PMPM. Thereafter, the assessment rate for any subsequent calendar year shall be set equal to 60 basis points of the 2nd lowest cost silver plan monthly rate, assuming no reinsurance mechanism, for a 40 year old insured in the prior year. Assessments shall accrue monthly and be collected quarterly.
3. *State Share* - Funds available for the State Share shall be entirely from funds raised via assessments of Health Plan members. Total assessment funds less funds needed for administration by the Health Plan shall constitute the State Share. The assessment rate and available funds will not vary with reinsurance claims. State funds remaining after provision for administration will be paid out to eligible Health Plan members by adjusting the reinsurance parameters on a retrospective basis.
4. *Pass Through Funding Savings* - These funds are determined by the federal government, which are calculated by using the difference between the 2nd lowest cost silver plan rate filed assuming the reinsurance mechanism is in place and the 2nd lowest cost silver plan rate filed assuming the reinsurance mechanism is not in place, as these

rates are filed by issuers. The Health Plan shall obtain this information from the Department and file this information in the manner and format prescribed.

5. *Available Reinsurance Funds* - Available reinsurance funds shall be the total of the State Share and the Pass Through Funding Savings.
6. *Distribution of Available Reinsurance Funds* - The Health Plan shall distribute all available reinsurance funds. The distribution shall be a percentage of allowed claims. For plan year 2021, allowed claims shall include all claims incurred in calendar year 2021 and paid through June 30, 2022, where the incurred and paid amount exceeds \$60,000 but does not exceed \$400,000 per covered life. The Health Plan shall calculate the coinsurance percent as the ratio of Available Reinsurance Funds to Total Allowed Claims. If this ratio exceeds 100%, the Health Plan shall increase the upper attachment point.
7. *Reporting of Allowed Claims and Adjudication* - The Health Plan shall require individual health insurance issuers to submit allowed claims for determining reinsurance fund distributions in a manner and format that the Health Plan prescribes. For calendar year 2021, the Health Plan shall also obtain EDGE Server data from CMS⁸. The Health Plan shall use the EDGE Server data reported to authenticate the allowed claims reported by the issuers. Issuers shall be provided an opportunity to reconcile their submission with the EDGE Server data.
8. *Timing of Payments* - The NH Health Plan shall cause payments to be made to issuers with due consideration to CMS's required Medical Loss Ratio (MLR) rebate calculations and submissions.
9. *Care Management* - The Health Plan shall encourage insurer incentives for care management and claim adjudication by taking measures to ensure that incentives for care management and claim adjudication are not undermined.
10. *Amendments and Recommendation* - The Health Plan shall propose amendments and other recommendations regarding this program as they deem fit on or before August 1 of the 2nd calendar year preceding the plan year in which these changes would take effect. For example, the Health Plan shall submit amendments and recommendations for changes in the Plan of Operation for plan year 2022 on or before August 1, 2020. Any proposed changes shall further the mission of making individual health insurance affordable and accessible consistent with RSA 404-G:1.
11. *Estimated Reinsurance Parameters* - Assuming no change in program designs are recommended or adopted, on or before February 1 of the calendar year preceding the plan

year, the Health Plan shall publish estimated reinsurance parameters and estimated premium savings based on actuarial modeling to facilitate pricing of the required with and without rates that issuers must file.

SO ORDERED.

Dated: Feb. 25, 2020 Alexander K. Feldvebel
Alexander K. Feldvebel, Acting Insurance Commissioner

⁸ CMS, pursuant to its authority under the ACA, operates the Risk Adjustment program. CMS gathers EDGE Server data pursuant to this authority.



**The State of New Hampshire
Insurance Department**

21 South Fruit Street, Suite 14
Concord, NH 03301
(603) 271-2261 Fax (603) 271-1406
TDD Access: Relay NH 1-800-735-2964

Christopher R. Nicolopoulos
Commissioner

Alexander K. Feldvebel
Deputy Commissioner

**In the Matter Of
The Individual Health Insurance Market
in New Hampshire**

Docket: INS No. 20-009-AP

SUPPLEMENTAL ORDER

Factual Background:

On February 25, 2020, the Commissioner of the New Hampshire Insurance Department (the "Department") issued an Order (the "Initial Order") stating his findings of fact regarding the individual health insurance market in New Hampshire and ordering the New Hampshire Individual Health Plan Benefit Association, d/b/a New Hampshire Health Plan ("NH Health Plan") to develop and submit to the Department for approval a plan of operation for a reinsurance risk mechanism pursuant to New Hampshire RSA 404-G:12, that contemplates an application by the State to the federal government for a Section 1332 State Innovation Waiver under the Affordable Care Act (the "1332 Waiver").

Pursuant to the Initial Order, the NH Health Plan Board of Directors amended its existing plan of operations to establish a plan of operations for an individual health insurance market stabilization program known as the New Hampshire Reinsurance Program (the "Reinsurance Program"), which included a recommendation that the State apply for a 1332 Waiver (the "Reinsurance Program Plan of Operation").

The Commissioner approved the Reinsurance Program Plan of Operation and on April 23, 2020, submitted an application on behalf of the State for the Section 1332 Waiver, (the "Waiver Application"). The Waiver Application named NH Health Plan as the Administrator of the Reinsurance Program.

The Waiver Application was approved by the U.S. Department of Health & Human Services and the U.S. Department of the Treasury (the "Departments"), subject to certain terms and conditions (the "Terms and Conditions"), on August 5, 2020.

The federal support of the Reinsurance Program under the 1332 Waiver will be issued in the form of a grant ("Federal Funding"). Pursuant to RSA 420-N:6-a, the NH Health Plan, created pursuant to RSA 404-G, shall be eligible to draw down federal pass through funding to support this mechanism. Hence, the Commissioner and the NH Health Plan have determined

that it will be most effective and efficient for the Federal Funding to be distributed directly to the NH Health Plan, as Administrator of the Reinsurance Program, and for the NH Health Plan to be subject to the Terms and Conditions.

In the process of preparing the Reinsurance Program Plan of Operations, the Waiver Application and the acceptance of the Federal Funding and the Terms and Conditions, it has been determined that the estimated reinsurance parameters and estimated premium savings should be published by the NH Health Plan on or before March 31 of the preceding year, and not by February 1, as contemplated by the Department's Initial Order.

Directives Pursuant to this Order:

1. In its role as the Administrator of the Reinsurance Program, the NH Health Plan shall take all actions necessary to qualify as the direct recipient of, and to accept and receive, the Federal Funding; provided that the NH Health Plan will not be required to take any action that will require it to expend its own funds or incur liability beyond the expenditures and obligations contemplated by the Reinsurance Program Plan of Operation, as amended pursuant to this Supplemental Order and as it may be amended from time to time with the approval of the Commissioner.

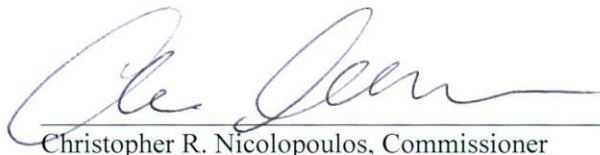
2. In the performance of its duties as the Administrator of the Reinsurance Program, the NH Health Plan shall receive and use the Federal Funding in accordance with RSA 404-G, the Terms and Conditions, and the Reinsurance Program Plan of Operations, as amended pursuant to this Supplemental Order and as it may be amended from time to time with the approval of the Commissioner.

3. The Department will assist the NH Health Plan, as needed, to work cooperatively, in complying with the requirements imposed by the Terms and Conditions, including but not limited to, requests for suspension, withdrawal, termination, amendment or extension of the 1332 Waiver, quarterly and annual reporting requirements, and the conduct of a post-award forum.

4. No later than 30 days from today's date, the NH Health Plan shall amend and submit to the Commissioner for approval, the Reinsurance Program Plan of Operations to: (i) reflect its status as the grant recipient of the Federal Funding; (ii) state the commitment of the NH Health Plan and the Department to work cooperatively in complying with the Terms and Conditions; and (iii) change the deadline for publishing the estimated reinsurance parameters and estimated premium savings of the Reinsurance Program to March 31 of the preceding year.

SO ORDERED.

Date: 9/30, 2020


Christopher R. Nicolopoulos, Commissioner

Appendix C

State Letter of Intent to Seek a Waiver Extension



December 18, 2023

The Honorable Xavier Becerra
Secretary of Health and Human Services
Department of Health & Human Services
200 Independence Avenue SW
Washington, DC 20201

The Honorable Janet Yellen
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20201

Submitted via e-mail: stateinnovationwaivers@cms.hhs.gov

Dear Secretary Becerra and Secretary Yellen,

The New Hampshire Health Plan (NHHP) and the New Hampshire Insurance Department (NHID) are pleased to submit this letter of intent to apply for a five-year extension of the State's Section 1332 State Innovation Waiver, for the period beginning January 1, 2026 and ending December 31, 2030. Aside from extending the timeframe of the waiver, we do not plan to propose any major changes to our waiver in the extension application. As we do currently, and as outlined in our current waiver, we will continue to revisit and consider appropriate changes to the reinsurance parameters annually. The waiver will continue to adhere to the guardrails established by Section 1332.

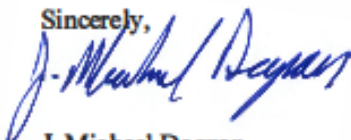
In 2019, the New Hampshire legislature passed House Bill 4, signed into law by Governor Chris Sununu to authorize the Insurance Commissioner, if supported by the recommendations of actuarial experts, to request that the NHHP Board of Directors develop a Plan of Operation to support the affordability and accessibility of health insurance in the state's individual market. The legislation required the state to submit a waiver application as needed to create a risk sharing or reinsurance mechanism for the individual market if supported by the findings of the actuarial experts. On August 5, 2020, the Department of Health and Human Services and Department of Treasury approved New Hampshire's application to waive the single risk pool requirement in the individual market under section 1312(c)(1) of the Patient Protection and Affordable Care Act in order to implement a state-based reinsurance program.

Following federal approval of the state's original 1332 waiver application, NHHP, in consultation with the NHID, implemented a state reinsurance program beginning January 1, 2021. The reinsurance program has been critical to stabilizing our individual health insurance market. Since implementation of the waiver, the state has experienced a 12.8% average annual premium savings for the Second-Lowest Cost Silver Plan. These lower rates have helped to drive increases in enrollment in the individual market, which has grown nearly 20% over the period of the waiver. New Hampshire has also maintained three carriers in the individual market.

State funding for the Reinsurance Program comes from an assessment of all health insurance carriers in the state.

A waiver extension will support New Hampshire's continued success in making health insurance more affordable and accessible. Thank you in advance for considering our application, which we intend to submit by Fall 2024. We look forward to engaging with you in the coming months.

Sincerely,



J. Michael Degnan
New Hampshire Health Plan



Commissioner David J. Bennett
New Hampshire Insurance Department

cc: Christopher Kennedy, NHHP Board Chair
Rochelle Prentice
Robert Yates
Lina Rashid
Sonya Zhu
Eda Herzog-Vitto
1332-waiversupport@cms.hhs.gov

Appendix D

Notice of Public Comment Period, Waiver Informational Presentation

NOTICE
ANNUAL POST-AWARD FORUM AND WAIVER EXTENSION HEARING
SECTION 1332 WAIVER AND REINSURANCE PROGRAM

Pursuant to Federal requirements, New Hampshire Health Plan will hold a joint annual post-award forum on the State's current Section 1332 Waiver and Reinsurance Program and hearing on a draft Section 1332 Waiver Extension application. This event will allow members of the public and interested stakeholders to get information about the progress of the State's Section 1332 Waiver and Reinsurance Program and the waiver extension request and to ask questions and offer comments.

The event shall be held on:

Thursday, June 13th, 2024, 10:00am
Location: Walker Building, Room 100
21 S Fruit Street
Concord, NH 03301

To join remotely, please click [here](#) to register in advance and receive the log-in information or visit <https://bit.ly/3Qz9VwH>

Anyone experiencing technical issues accessing the event via Teams should contact A.J. Kierstead at (603) 271-3886 or Adam.J.Kierstead@ins.nh.gov for assistance.

During the event, New Hampshire Health Plan will present information about the Section 1332 Waiver and the New Hampshire Reinsurance Program, including implementation updates and an overview of the waiver extension request. Those participating in the event will have the opportunity to ask questions and offer comments. The event will be recorded, and the recording as well as the presentation will posted 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>. Those who view the recording may submit written comments or questions by July 12, 2024 to lkaplanhowe@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 Innovation 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. The initial waiver approval expires on December 31, 2025. Via the waiver extension application, New Hampshire Health Plan is seeking a five-year extension of the waiver from January 1, 2026 through December 31, 2030. No additional changes to the waiver are being sought.

Over \$90 million in federal funding for the program was leveraged in the first three years of the program (2021 through 2023), which is more than double the state funding for those years. For 2024, federal funding is expected to total over \$28 million, also more than double the state funding for this year. As a result of these investments, premiums for the 2024 Second Lowest Cost Silver Plan in the New Hampshire Marketplace were reduced by 10%.

The draft waiver extension application will be posted by June 12, 2024 to the New Hampshire Health Plan website at <https://www.nhnp.org/historical-governance-documents/governance-documents-nh-reinsurance->

[program](#) and the New Hampshire Insurance Department website at <https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>. It will also be available at the New Hampshire Insurance Department office at 21 South Fruit Street, Suite 14 in Concord.

More information about New Hampshire's Section 1332 Waiver and the New Hampshire Reinsurance Program is available at <https://www.nhdp.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 event, including those with disabilities or limited English proficiency, should contact Lisa Kaplan Howe at (603) 860-7851 or lkaplanhowe@pcgus.com no later than May 29, 2024 to ensure any necessary accommodations can be provided.

FOR IMMEDIATE RELEASE: May 15th, 2024

Contact: Michael Degnan, New Hampshire Health Plan, 603-223-6453, jmdegnan@helmsco.com

**New Hampshire Health Plan Holds Annual Post-Award Forum and Waiver Extension Hearing
on State Health Insurance Reinsurance Program**

CONCORD, NH – Pursuant to Federal requirements, the New Hampshire Health Plan is holding a joint annual post-award forum on the state's current Section 1332 Waiver and hearing on a draft Section 1332 Waiver Extension application on Thursday, June 13th at 10am. The event will be held in-person at the Walker Building in Concord (Room 100) and virtually via an online webinar (can be accessed by computer or telephone).

More information about the event (including the in-person address of the event and the link to register for the webinar) and New Hampshire's Section 1332 Waiver and the New Hampshire Reinsurance Program, can be found 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>. The event presentation and a recording will be posted on these webpages following the event.

New Hampshire Health Plan will accept oral questions and comments during the event (from attendees in-person and on the webinar) and in writing through July 12, 2024. Written questions and comments should be submitted to lkaplanhowe@pcgus.com or to New Hampshire Health Plan, C/O Michael Degnan, Helms & Company, Inc., 1 Pillsbury Street, Suite 200, Concord, NH 03301.

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 Lisa Kaplan Howe at 603-860-7851 or lkaplanhowe@pcgus.com no later than May 29, 2024 to ensure any necessary accommodations can be provided.

On August 5, 2020, the United States Departments of Health and Human Services and Treasury approved New Hampshire's Section 1332 State Innovation 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. The initial waiver approval expires on December 31, 2025. Via the waiver extension application, New Hampshire Health Plan is seeking a five-year extension of the waiver from January 1, 2026 through December 31, 2030. No additional changes to the waiver are being sought.

Over \$90 million in federal funding for the program was leveraged in the first three years of the program (2021 through 2023), which is more than double the state funding for those years. For 2024, federal funding is expected to total over \$28 million, also more than double the state funding for this year. As a result of these investments, premiums for the 2024 Second Lowest Cost Silver Plan in the New Hampshire Marketplace were reduced by 10%.

The draft waiver extension application will be posted by June 12, 2024 to the New Hampshire Health Plan website at <https://www.nhhp.org/historical-governance-documents/governance-documents-nh-reinsurance-program> and the New Hampshire Insurance Department website at <https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>. It will also be available at the New Hampshire Insurance Department office at 21 South Fruit Street, Suite 14 in Concord.

About the New Hampshire Health Plan

"New Hampshire Health Plan" is the trade name for the New Hampshire Individual Health Plan Benefit Association. The New Hampshire Health Plan (NHHP) was formed pursuant to New Hampshire Revised Statutes Annotated (RSA) Chapter 404-G. Membership in NHHP is comprised of all companies which are authorized by law to write health insurance in New Hampshire (see RSA 404-G:4). Among its functions, New Hampshire Health Plan administers the New Hampshire Reinsurance Program. For more information, contact New Hampshire Health Plan at 603-225-6633 or by visiting www.nhhp.org.

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State of New Hampshire Insurance Department

21 South Fruit Street, Suite 14

Concord, NH 03301

603-271-2261

FOR IMMEDIATE RELEASE

Contact:

Communications Unit

603-271-3781

communications@ins.nh.gov

New Hampshire Insurance Department Hosts Annual Section 1332 Waiver Forum

CONCORD, NH (May 14, 2024) – Today, the New Hampshire Insurance Department (NHID) announces the hosting of the joint annual post-award forum on the state's current Section 1332 Waiver and a hearing on the draft Section 1332 Waiver Extension application. The event is scheduled for Thursday, June 13th at 10 am. Attendees may join either in-person at the NHID offices or virtually via an online webinar accessible through computer or telephone.

To access further details about the event, including the in-person address and registration link for the webinar, as well as information regarding New Hampshire's Section 1332 Waiver and the New Hampshire Reinsurance Program, please visit <https://www.nhhp.org/historical-governance-documents/governance-documents-nh-reinsurance-program> and <https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>. Following the event, the presentation and a recording will be available on these webpages.

During the event, New Hampshire Health Plan (NHHP) will welcome oral questions and comments from both in-person and webinar attendees, as well as written submissions until July 12, 2024. Written inquiries and comments should be directed to lkaplanhowe@pcgus.com or to New Hampshire Health Plan, C/O Michael Degnan, Helms & Company, Inc., 1 Pillsbury Street, Suite 200, Concord, NH 03301.

Individuals requiring special accommodations, auxiliary aids or service, alternative communication formats, or language access support to participate in the process, including those with disabilities or limited English proficiency, are urged to contact Lisa Kaplan Howe at 603-860-7851 or lkaplanhowe@pcgus.com no later than May 29, 2024, to ensure necessary accommodations are arranged.

On August 5, 2020, the United States Departments of Health and Human Services and Treasury granted approval for New Hampshire's Section 1332 State Innovation Waiver, establishing a state-based reinsurance program. Commencing on January 1, 2021, the New Hampshire Reinsurance Program, proposed under New Hampshire RSA 404-G:12 and New Hampshire RSA 420-N:6-a, went into effect. The program, which reimburses insurers based on their liability for high-cost claims in the state's individual health insurance market, is in full compliance with all federal statutory requirements for Section 1332 Waivers. Federal funding, alongside a state insurance assessment, supports the program, with the initial waiver approval set to expire on December 31, 2025. Through the waiver extension

application, New Hampshire Health Plan is pursuing a five-year extension from January 1, 2026, through December 31, 2030, with no additional changes sought.

Federal funding for the program exceeded \$90 million in the first three years (2021 through 2023), more than doubling state funding for the same period. In 2024, federal funding is anticipated to surpass \$28 million, also more than double state funding for the year. These investments have led to a 10% reduction in premiums for the 2024 Second Lowest Cost Silver Plan in the New Hampshire Marketplace.

The draft waiver extension application will be available for review by June 12, 2024, on the New Hampshire Health Plan website at <https://www.nhhp.org/historical-governance-documents/governance-documents-nh-reinsurance-program> and the New Hampshire Insurance Department website <https://www.nh.gov/insurance/lah/nh-section-1332-waiver.htm>. Additionally, it will be available at the New Hampshire Insurance Department office at 21 South Fruit Street, Suite 14 in Concord.

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The New Hampshire Insurance Department Can Help

The New Hampshire Insurance Department's mission is to promote and protect the public good by ensuring the existence of a safe and competitive insurance marketplace through the development and enforcement of the insurance laws of the State of New Hampshire. Contact us with any questions or concerns you may have regarding your insurance coverage at 1-800-852- 3416 or (603) 271-2261, or by email at consumerservices@ins.nh.gov. For more information, visit <https://www.nh.gov/insurance>.

Connect with us



[Informational presentation to be added following public comment period]

DRAFT

Appendix E

Registration: Public Hearing

[To be added following public comment period]

Appendix F

Public Comments and Questions from the Public Hearing

[To be added following public comment period]

Appendix G

Written Public Comments Received

[To be added following public comment period]