



New Hampshire Reinsurance Program

Actuarial Work Group Meeting

03/11/2025

Topics for Today

- Review of trend assumptions
- Review of claim and enrollment projections
- Continuance table findings
- Projected 2026 federal funding
- Proposed 2026 parameter formula

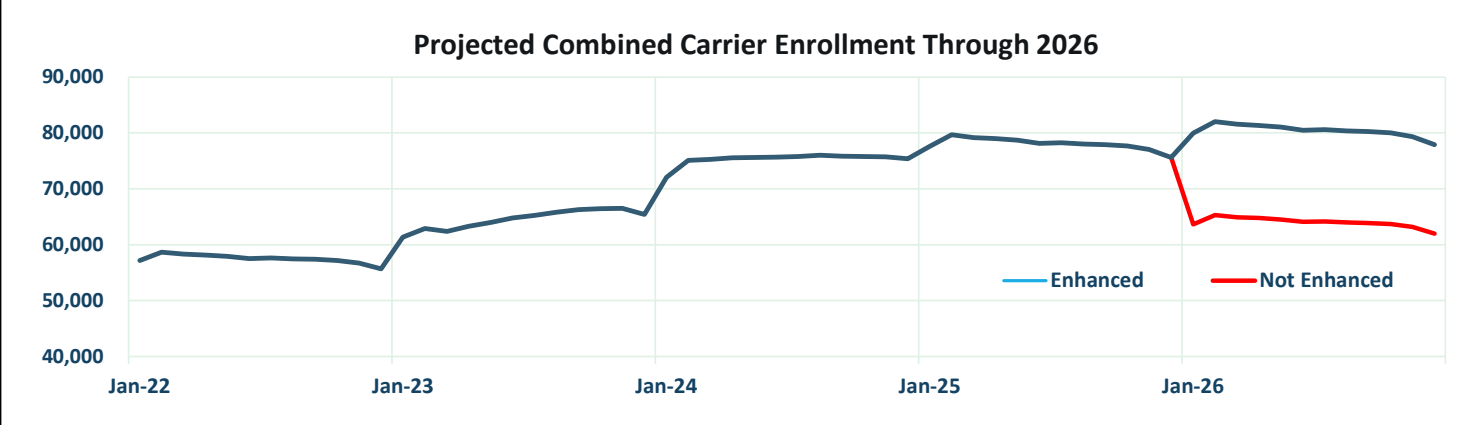
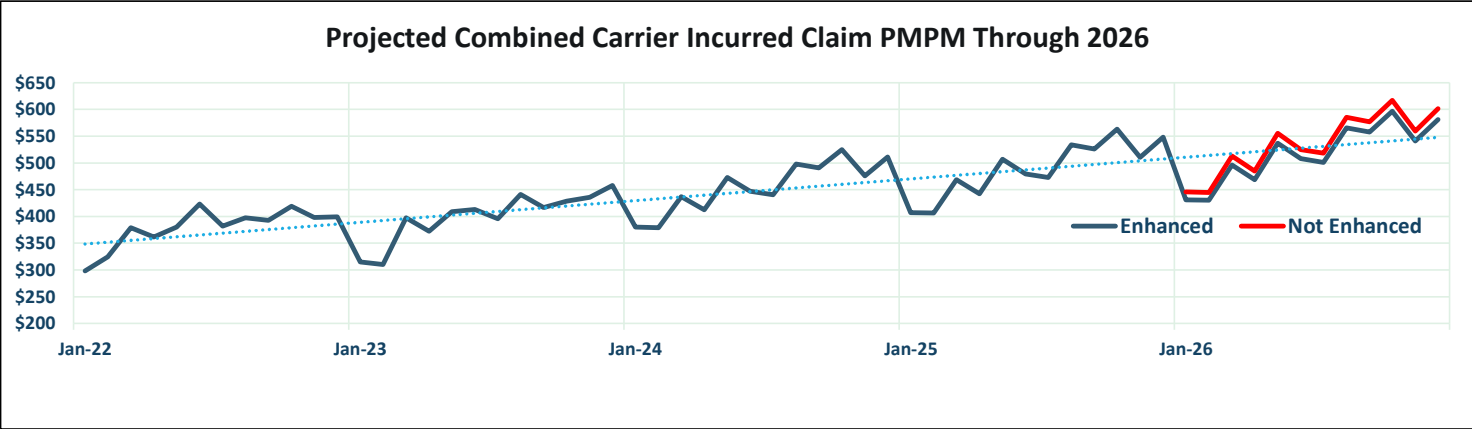
Revised Claim Trend Assumptions

- Revised 2025 claim trend assumption
 - Initial assumption was 5.5%
 - Changed to 5.5% for ambulatory, 7.0% for hospital, 9.0% for pharmacy, average 7.1%
 - Why? To recognize continuing impact of Medicaid unwind on hospital cost and GLP-1 on pharmacy cost
- Revised 2026 claim trend assumption if enhanced subsidies continue
 - Initial assumption was 5.5%
 - Changed to 5.5% for ambulatory, 5.5% for hospital, 7.0% for pharmacy, average 6.0%
 - Why? To recognize stabilized enrollment but continuing high cost GLP-1 for pharmacy
- Revised 2026 claim trend assumption if enhanced subsidies NOT continued
 - Initial assumption was 9.1% (base trend of 5.5% with additional 3.4% morbidity change)
 - Changed to 9.1% for ambulatory, 9.1% for hospital, 10.7% for pharmacy, average 9.6%
 - Why? To recognize stabilized enrollment but continuing high cost GLP-1 for pharmacy

Enrollment Assumptions (Unchanged)

- 2025: Medicaid Unwind is over and enhanced subsidies continue at least through the end of the year. Assumed 3% enrollment increase and return to 2022 seasonal pattern.
- 2026:
 - If enhanced subsidies continue, assume 3% enrollment increase and 2022 seasonal pattern
 - If enhanced subsidies NOT continued, assume 18% drop in enrollment based on:
 - 25% of members in Exchange above 400% FPL will stay without a premium subsidy but will buy down coverage
 - 90% of APTC members below 400% FPL will stay in Exchange in their current coverage
 - Combined Exchange impact would be a reduction of 22%
 - Off-Exchange enrollment would not be affected
 - Combined market-wide enrollment would be reduced by 18%

Claim and Enrollment Projections



Continuance Table Findings

2026 Projections	Enhanced Subsidies Continued	Enhanced Subsidies NOT Continued
Total Projected Claims	\$499.3 million	\$411.1 million
Total Projected Claims in Corridor \$60K to \$400K	\$118.5 million	\$99.5 million
If total funding is \$50 million, reinsurance reimbursement would be:	42% of ceded claims 10% of total claims	50% of ceded claims 12% of total claims
If total funding is \$45 million, reinsurance reimbursement would be:	38% of ceded claims 9% of total claims	45% of ceded claims 11% of total claims
If total funding is \$40 million, reinsurance reimbursement would be:	34% of ceded claims 8% of total claims	40% of ceded claims 10% of total claims

2026 Federal Funding Projection

Item		Enhanced Subsidies Continued		Enhanced Subsidies NOT Continued	
		Without Waiver	With Waiver	Without Waiver	With Waiver
Enrollment	Receiving APTC	48,936	48,128	37,356	36,651
Avg Premium PMPM	Gross	\$669	\$612	\$690	\$625
	Actual	\$221	\$213	\$224	\$216
	APTC	\$449	\$399	\$466	\$409
Annual Premium	Gross	\$393.1 million	\$353.4 million	\$309.2 million	\$275.1 million
	Actual	\$129.5 million	\$123.0 million	\$100.4 million	\$95.1 million
	APTC	\$263.6 million	\$230.4 million	\$208.8 million	\$180.0 million
Projected APTC Savings			\$33.2 million		\$28.8 million
PTC Ratio			98.2%		98.2%
Total PTC Savings			\$32.6 million		\$28.3 million
Exchange Fee Loss (2.20%, 2.50%)			(\$717,000)		(\$707,000)
Net Federal Funding			\$31.8 million		\$27.6 million

Total Estimated 2026 Funding and Reinsurance Percentage

Category	Enhanced Subsidies Continued	Enhanced Subsidies NOT Continued
Federal Funding	\$31.8 million	\$27.6 million
State Funding	\$13.6 million	\$13.6 million
Total Funding	\$45.4 million	\$41.2 million
Reinsurance Claims	\$118.5 million	\$99.5 million
Reimbursement % Of claims between \$60K and \$400K	38%	41%
Percent of Projected Claims	9.1%	10.0%

2025 Estimates

Item		Original Estimate	
		Without Waiver	With Waiver
Enrollment	Receiving APTC	39,870	37,418
Avg Premium PMPM	Gross	\$653	\$572
	Actual	\$190	\$148
	APTC	\$463	\$424
Annual Premium	Gross	\$312.6 million	\$256.6 million
	Actual	\$91.1 million	\$66.3 million
	APTC	\$211.5 million	\$190.3 million
Projected APTC Savings			\$31.2 million
Net Federal Funding			\$30.2 million
State Funding			\$12.6 million
Total Funding			\$42.8 million
Estimated Eligible Claims			\$88.0 million
Reimbursement Percent			49%

Recommended 2026 Reinsurance Parameters

- Attachment Point: \$60,000
- Upper Limit: \$400,000
- Estimated Reinsurance Percentage if Enhanced Subsidies are Continued:
 - 38%, based on estimated combined state and federal funding of \$45.4 million
- Estimated Reinsurance Percentage if Enhanced Subsidies are NOT Continued
 - 41%, based on estimated combined state and federal funding of \$41.2 million