

SECTION 1332  
STATE  
INNOVATION  
WAIVER

NEW  
HAMPSHIRE  
REINSURANCE  
PROGRAM



**2025  
Post-Award  
Forum**

# INTRODUCTIONS

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



## NHHP: Executive Director J. Michael Degnan

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



## NHID: Commissioner Bettencourt

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



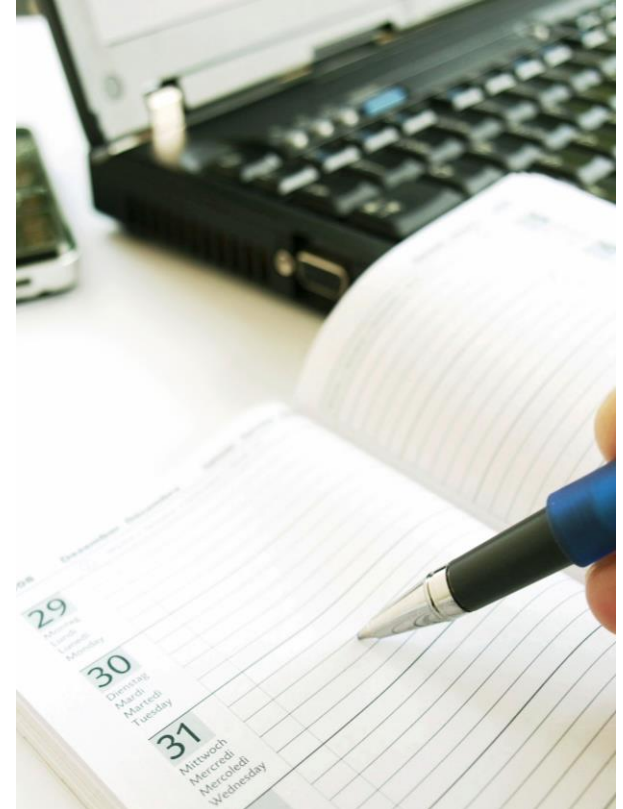
# WELCOME FROM THE NEW HAMPSHIRE INSURANCE DEPARTMENT

Commissioner Bettencourt  
New Hampshire Insurance Department

Michelle Heaton  
Director of Life Accident & Health  
New Hampshire Insurance Department

# AGENDA

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# ABOUT TODAY'S EVENT

# ABOUT TODAY'S EVENT: PUBLIC FORUM

NHHP is holding this annual public forum to share updates and receive public questions and comments about New Hampshire's Section 1332 Waiver and the New Hampshire Reinsurance Program.

**A recording of this event, as well as the PowerPoint, will be posted by NHHP and the NH Insurance Department following the event.**

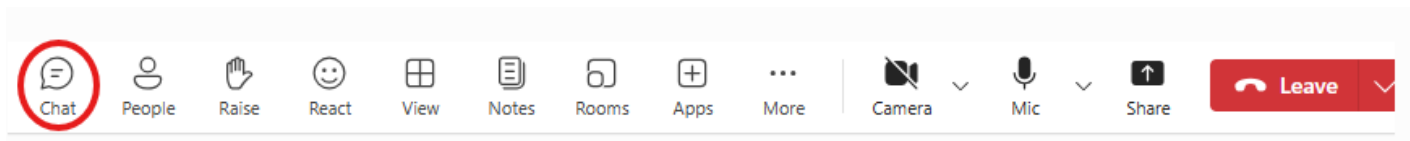
# ABOUT TODAY'S EVENT: LOGISTICS FOR VIRTUAL ATTENDEES

## House Rules

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



To ask a question or make a comment, enter it into the chat:



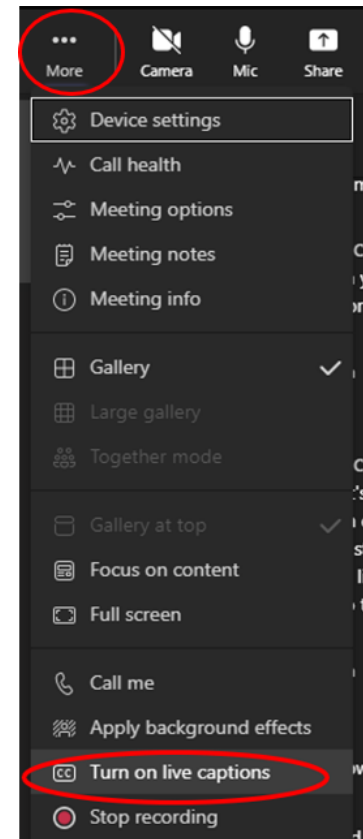
**If you are having a technical issue, please contact  
A.J. Kierstead, NHID Outreach Coordinator  
at (603) 271-3886 or  
[Adam.J.Kierstead@ins.nh.gov](mailto:Adam.J.Kierstead@ins.nh.gov)**

# ABOUT TODAY'S EVENT: LOGISTICS FOR VIRTUAL ATTENDEES

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- ✓ Click on the menu labeled “more” (under 3 dots)
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# BACKGROUND

# BACKGROUND: ABOUT SECTION 1332 WAIVERS

Under the Patient Protection and Affordable Care Act (ACA), states may apply for a State Innovation Waiver (Section 1332 Waiver).

- Allows a state to use innovative strategies to address the unique circumstances in the state and ensure state residents have access to quality, affordable health insurance.
- The state can be granted:
  - Waivers from certain parts of the law
  - Federal funding for their program via a “pass-through” of federal savings

# BACKGROUND: STATE AND FEDERAL AUTHORITY

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



- **RSA 404-G:12:** Directed NHID to work with NHHP to establish a market stabilization program for the individual market to be administered by NHHP.
- **RSA 404-G:12 & RSA 420-N:6-a:** Directed NHID to apply for a Section 1332 Waiver if such action was supported by the recommendations of actuarial experts.

Based on the findings of an actuarial study in 2019, NHID issued an order to NHHP to submit to NHID, for approval, an amended Plan of Operations that included the Section 1332 Reinsurance Program.

# BACKGROUND: STATE AND FEDERAL AUTHORITY

NHID submitted an application for a **Section 1332 Waiver** on April 21, 2020.

- The state sought a waiver of section Section 1312(c)(1) of the ACA (regarding health insurance rating, single risk pool provision\*) to allow for the implementation of a state-based reinsurance program funded in part with federal pass-through funding.
- The Federal Departments of Health & Human Services and Treasury approved the waiver on August 5, 2020.
- Initial waiver time period: January 1, 2021 – December 31, 2025



NHHP submitted a request for a **waiver extension** on August 21, 2024

- The Federal Departments of Health & Human Services and Treasury approved the extension on November 19, 2024.
- Waiver extension period: January 1, 2026 – December 31, 2030

\*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

# BACKGROUND: WAIVER GUARDRAILS

Under the waiver, New Hampshire is required to demonstrate compliance with required waiver guardrails.

- **Comprehensiveness:** The waiver will provide coverage that is at least as comprehensive as without the waiver.
- **Affordability:** The waiver will provide coverage that is at least as affordable as without the waiver.
- **Scope of Coverage:** The waiver will provide coverage to a comparable number of state residents.
- **Federal Deficit:** The waiver will not increase the federal deficit.

# BACKGROUND: PROGRAM DESIGN



New Hampshire's approved waiver period (including extension): January 1, 2021 through December 31, 2030



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

- ✓ Attachment Point
- ✓ Cap
- ✓ Coinsurance



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

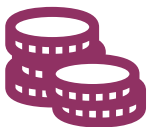
# BACKGROUND: PROGRAM DESIGN



All individual market plans are eligible to participate.



Individuals remain in their selected health plans and have no changes to their cost sharing, networks or benefits.



Carriers submit claims and are reimbursed based on their share of high-cost claims for the program year (payments are calculated and made the following year).



Carriers develop rates based on expected reinsurance payments, providing relief in premium costs.

# BACKGROUND: PROGRAM FUNDING

The Reinsurance Program has two funding sources:



## State Premium Assessment

- Applies across the health insurance market (except Medicaid)
- Paid quarterly
- 0.6% of the prior year's Second Lowest Cost Silver Plan without-waiver rate (among plans offered statewide)



## Federal Pass-through Funding

- Based on Advance Premium Tax Credit savings

Each year, the annual waiver program funding is set and will not increase based on costs. If necessary, the state adjusts the coinsurance rate to ensure payments match available funding.



# BACKGROUND: PROGRAM GOALS

By subsidizing the liability for high-cost claims, the reinsurance program aims to lower claims costs for carriers, which must be passed on in premium savings.

This helps to stabilize the market by:



- Lowering individual market premiums.
- Increasing enrollment of the individual market's unsubsidized population.
- Making the market more attractive to existing and possible future issuers.



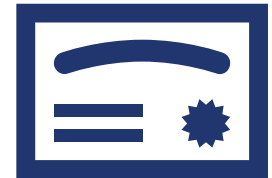
# PROGRAM YEAR 2025 UPDATES

# PROGRAM YEAR 2025 UPDATES: IMPLEMENTATION

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

The carriers participating in the program in 2025 are:

- Anthem Health Plans
- Anthem Matthew Thornton
- Harvard Pilgrim Health Care/Point32Health
- Celtic (Ambetter)
- **\*New entrant:** WellSense (plans offered in Belknap, Hillsborough, Merrimack, Rockingham, and Strafford counties)



# PROGRAM YEAR 2025 UPDATES: REINSURANCE PARAMETERS

## 2025 Parameters

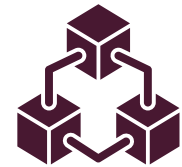
<b>Attachment Point</b>	<b>\$60,000</b>
<b>Cap</b>	<b>\$400,000</b>
<b>Target Coinsurance</b>	<b>49 percent*</b>

*\*THE COINSURANCE IS ADJUSTED TO MATCH PAYMENTS TO FUNDING AVAILABLE AND, FOR THAT REASON, IS AN ESTIMATE THAT IS SUBJECT TO ADJUSTMENT BASED ON FINAL FUNDING AVAILABLE AND ELIGIBLE CLAIMS.*

# PROGRAM YEAR 2025 UPDATES: IMPACT OF MEDICAID REDETERMINATIONS

Medicaid redeterminations began in New Hampshire in April 2023. Those losing coverage likely were eligible for Advance Premium Tax Credits (APTCs), which remain enhanced under the Inflation Reduction Act.

- As a result, total individual market enrollment has increased by approximately 15,000 since redeterminations began.
- The enrollment trends have since moderated and returned to a more historic pattern.



# PROGRAM YEAR 2025 UPDATES: FUNDING

## **Combined Funding for Years 1 through 4: \$173.61 million**

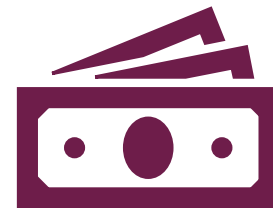
- Federal Funding - \$118.19 million
- State Funding\* - \$55.42 million

## **Projected 2025 Funding: \$47.74 million**

- Federal Funding - \$34.07 million
- Projected State Funding\* - \$13.67 million

## **Total Program Funding to-date: \$221.35 million**

- Federal Funding - \$152.26 million
- Projected State Funding\* - \$69.09 million



*\*CARRIER ASSESSMENT RATE - 60 BASIS POINTS OF THE PRIOR YEAR'S SLCSP  
WITHOUT-WAIVER RATE (OF PLANS OFFERED STATEWIDE)*

# PROGRAM YEAR 2025 UPDATES: MARKET IMPACT

**Lower Premiums** - The waiver resulted in\*:

- An **11% decrease** in the Second-Lowest Cost Silver Plan (SLCSP) rate for plan year 2025.
- Premiums remain significantly lower than 2020 (the year prior to the waiver):

	<b>Second Lowest Cost Silver Plan Premium (40-year- old, non-tobacco user)</b>
<b>2020 (prior to waiver)</b>	\$404.60
<b>2021 (waiver year 1)</b>	\$332.98
<b>2025 (current)</b>	\$327.96

*\*BASED ON CARRIER FILINGS OF WITH AND WITHOUT WAIVER RATES*

# PROGRAM YEAR 2025 UPDATES: MARKET IMPACT

**Lower Premiums** – New Hampshire premiums compared nationwide\*:

	2024	2025
Average Benchmark Premium	Lowest	Lowest
Average Lowest-Cost Bronze Premium	2nd Lowest	2nd Lowest
Average Lowest-Cost Silver Premium	Lowest	Lowest
Average Lowest-Cost Gold Premium	2nd Lowest	Lowest

**Increased Enrollment\*\*** – As of April 2025, total individual market enrollment was up to approximately 77,000 individuals.

**Stable Carrier Engagement** – Five carriers remain in the NH individual insurance market, including a new entrant in 2025 (WellSense)

*\*FINDINGS FROM THE KAISER FAMILY FOUNDATION STATE HEALTH FACTS "AVERAGE MARKETPLACE PREMIUMS BY METAL TIER – 2024, 2025"*

*\*\*BASED ON MARKETPLACE ENROLLMENT REPORTS. THE IMPACT OF THE REINSURANCE PROGRAM SPECIFICALLY ON ENROLLMENT HAS NOT BEEN ISOLATED.*





# PROGRAM YEAR 2026 PLANNING & OTHER UPDATES AND NEXT STEPS

# PROGRAM YEAR 2026 PLANNING: REINSURANCE PARAMETERS

## **NHHP's Actuarial Workgroup continues to support program development:**

- Members - Senior actuaries from each carrier participating in the program
  - A WellSense representative joined the AWG this year.
- Role - Consult on key implementation milestones that require actuarial work
- The workgroup members worked with NHHP, NHID, and NHHP's actuarial firm (Leif Associates) to provide data and insight to inform the development of reinsurance parameters for the 2026 program year.



# PROGRAM YEAR 2026 PLANNING: REINSURANCE PARAMETERS

The actuarial workgroup met with staff and Leif Associates in February and March 2025.



The actuarial workgroup recommended parameters that were presented to the NHHP Board on March 20, 2025.



The Board adopted those recommendations for submission to Commissioner Bettencourt on March 20, 2025.



The Commissioner approved those parameters on March 21, 2025.

# PROGRAM YEAR 2026 PLANNING: FUNDING & REINSURANCE PARAMETERS

## 2026 Funding Projections:

Funding Category	Without Enhanced APTCs	With Enhanced APTCs
Federal	\$27.6 million	\$31.8 million
State*	\$13.6 million	\$13.6 million
Total	\$41.2 million	45.4 million

\*CARRIER ASSESSMENT - 60 BASIS POINTS OF THE PY 2024 SLCP WITHOUT-WAIVER PREMIUM (OF PLANS OFFERED STATEWIDE)

## 2026 Parameters

Attachment Point	\$60,000	
Cap	\$400,000	
Target Coinsurance**	Without Enhanced APTCs	With Enhanced APTCs
	41%	38%

\*\*COINSURANCE IS NOT FINALIZED UNTIL FUNDING AND CLAIMS ARE CONFIRMED.

## OTHER UPDATES AND NEXT STEPS

### Completed:

- ✓ Carriers submitted care management program descriptions to demonstrate the carrier's ability to identify and help manage the care of potential higher cost claimants to ensure the appropriateness of health care services delivered.
- ✓ NHHP received and reviewed EDGE Server reports of 2024 eligible claims for each carrier.
- ✓ NHHP made interim payments (100% of federal funds and 50% of state funds) in March 2025.
- ✓ NHHP calculated final 2024 payments (48.15% of eligible claims)

### Next Steps:

- ❑ On or before July 1, 2025: Final payments for 2024 will be made





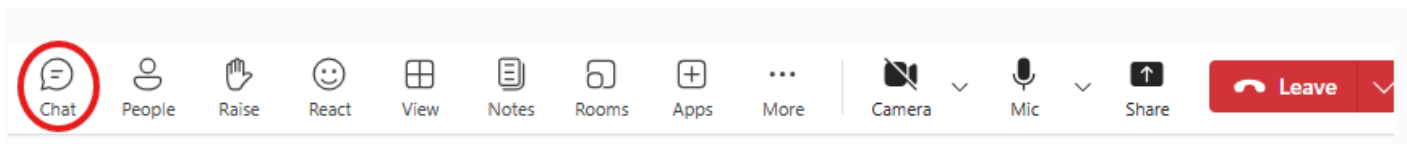
# QUESTIONS AND COMMENTS

# QUESTIONS & COMMENTS

**NHHP invites attendees to share questions or comments about the New Hampshire Reinsurance Program/Section 1332 Waiver and today's updates. All questions and comments will be documented for the record.**

**Instructions for Virtual Attendees:** Submit questions and comments into the **chat box** of the webinar.

- We will read and respond to all questions submitted.



Questions and comments can be submitted in writing by **June 27<sup>th</sup>** to [lkaplanhowe@pcgus.com](mailto:lkaplanhowe@pcgus.com) or by mail to J. Michael Degnan at:

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Helms & Company, Inc.,  
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Concord, NH 03301

# KEY CONTACTS

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