

SECTION 1332
STATE
INNOVATION
WAIVER

NEW
HAMPSHIRE
REINSURANCE
PROGRAM



**2026
Post-Award
Forum**

June 17, 2026

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.



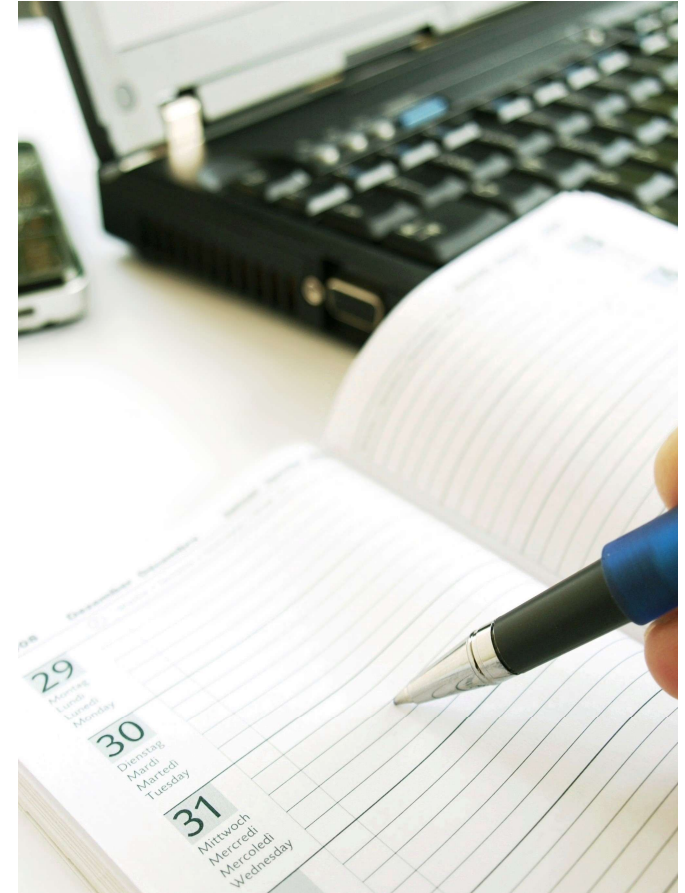
WELCOME FROM THE NEW HAMPSHIRE INSURANCE DEPARTMENT

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.

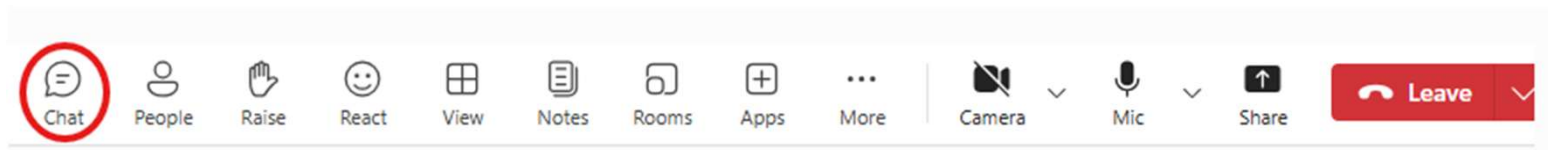
ABOUT TODAY'S EVENT: LOGISTICS FOR VIRTUAL ATTENDEES

House Rules

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



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



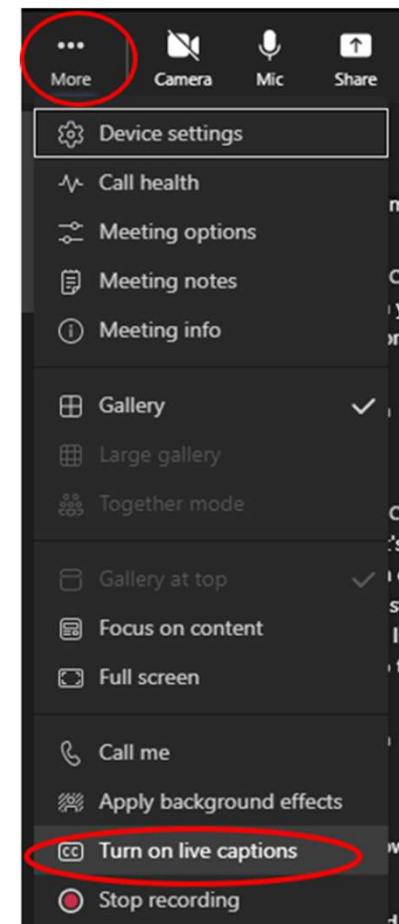
**If you are having a technical issue, please contact
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or ejoyce@pcgus.com**

ABOUT TODAY'S EVENT: LOGISTICS FOR VIRTUAL ATTENDEES

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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 the extension beginning in 2026): 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).

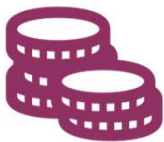
BACKGROUND: PROGRAM DESIGN



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:

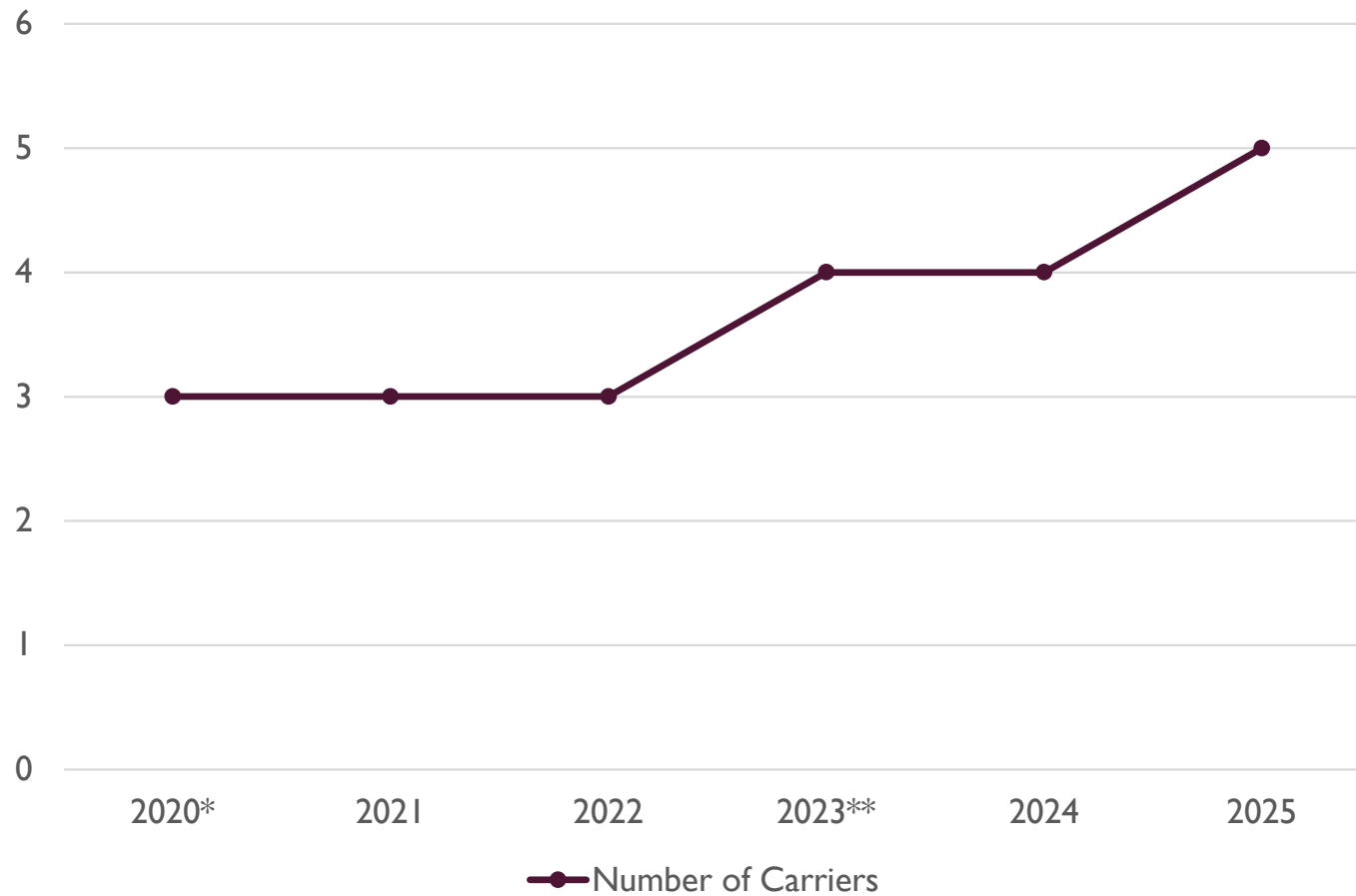


- Lowering individual market premiums.
- Increasing enrollment of the individual market's unsubsidized population.
- Making the market more attractive to existing and possible future issuers.



PROGRAM UPDATES: IMPACT IN INITIAL WAIVER PERIOD (2021-2025)

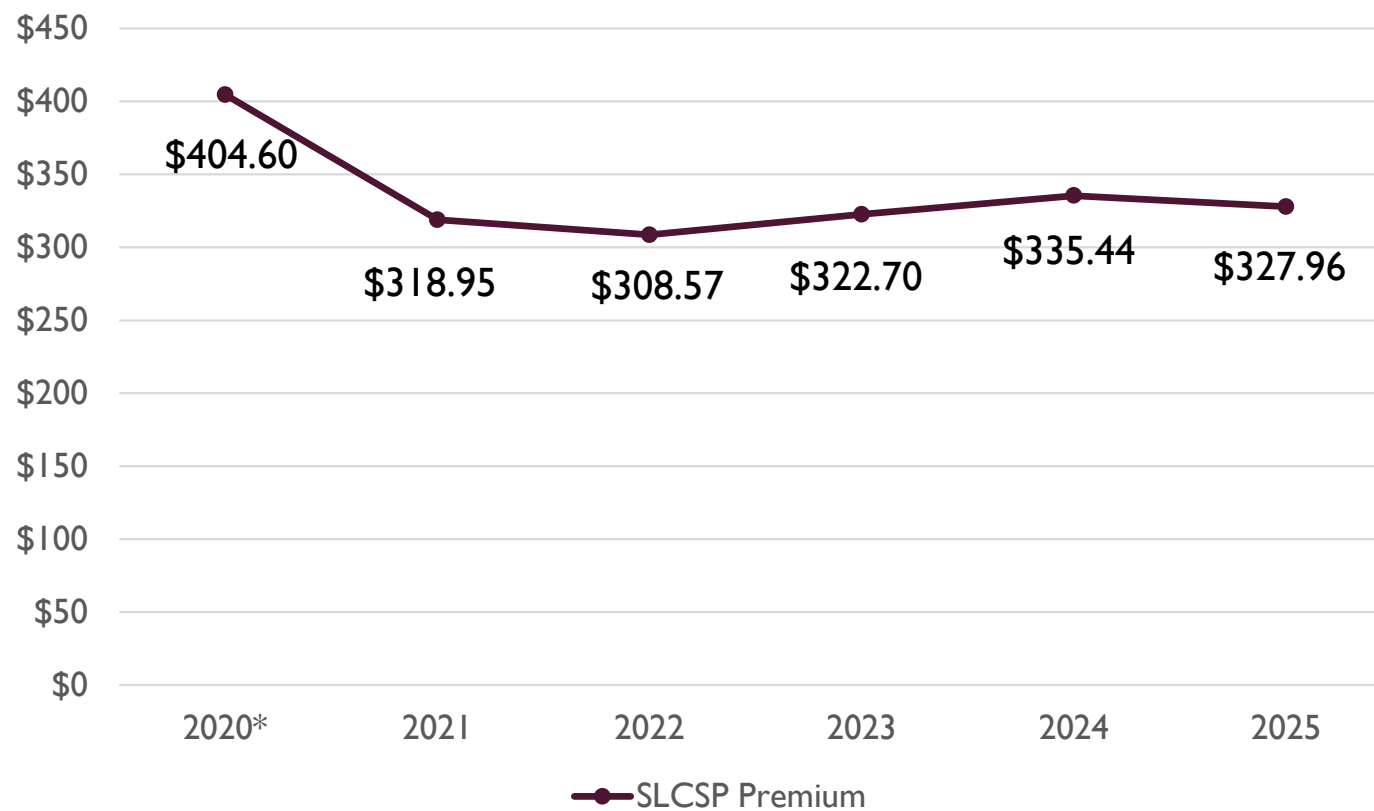
NH REINSURANCE PROGRAM MARKET IMPACT: CARRIERS



*PRE-WAIVER

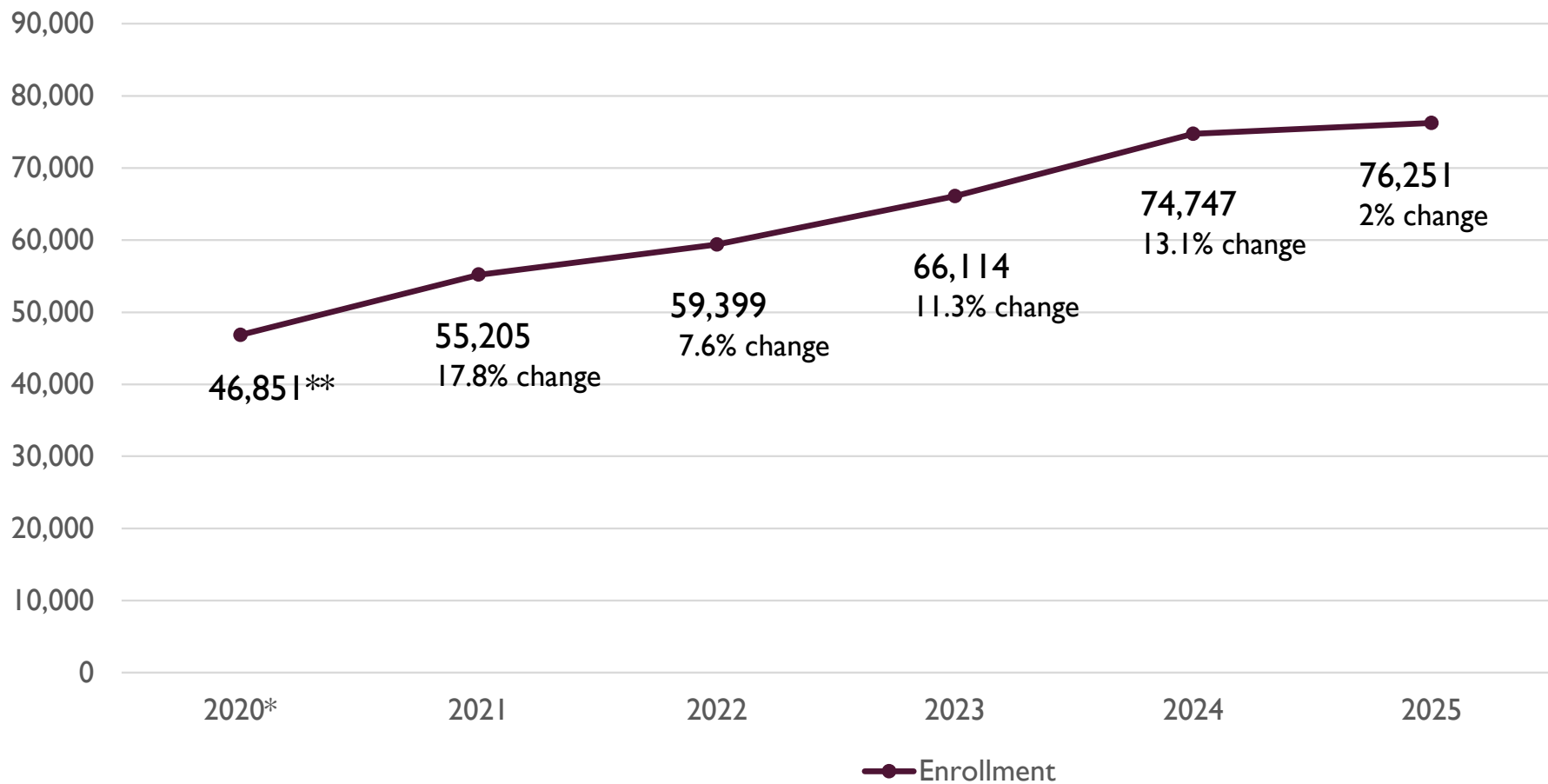
**ANTHEM HEALTH PLANS (2023 ADDITION) OFFERS OFF-EXCHANGE PLANS ONLY.

NH REINSURANCE PROGRAM MARKET IMPACT: PREMIUM



*PRE-WAIVER

NH REINSURANCE PROGRAM MARKET IMPACT: ENROLLMENT AS OF DECEMBER



*PRE-WAIVER

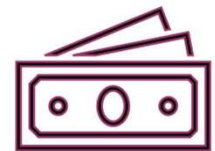


PROGRAM UPDATES: PROGRAM YEAR 2025 CLOSE-OUT

PROGRAM YEAR 2025 UPDATES: CLOSE-OUT

Payments for each program year are made by the following July, based on claims submitted to the Federal EDGE Server:

- ✓ November 2025-May 2026: NHHP received and reviewed EDGE Server reports of 2025 eligible claims for each carrier.
- ✓ May-June 2026: NHHP analyzed total eligible claims and calculated the following:
 - Final 2025 Coinsurance Rate – 46%
 - ❖ Based on the comparison of total eligible claims to total funds
 - Final 2025 Carrier Payments Confirmed



Next Steps:

- Payments will be made by the end of June (from Federal and State funds)

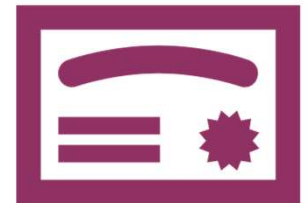


PROGRAM UPDATES: PROGRAM YEAR 2026

PROGRAM YEAR 2026 UPDATES: IMPLEMENTATION

The carriers participating in the program in 2026 are:

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



PROGRAM YEAR 2026 UPDATES: REINSURANCE PARAMETERS

2026 Parameters (“Without ARPA-Enhanced APTCs”)

Attachment Point	\$60,000
Cap	\$400,000
Target Coinsurance	41.4 percent*

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

PROGRAM YEAR 2026 UPDATES: FUNDING

Combined Funding for Years 1 through 5: \$221.35 million

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

Projected 2026 Funding: \$41.2 million

- Projected Federal Funding - \$27.6 million (has not yet been announced)
- Projected State Funding* - \$13.6 million

Total Program Funding to-date: \$262.55 million

- Federal Funding - \$179.86 million
- Projected State Funding* - \$82.69 million



**Carrier Assessment rate - 60 basis points of the prior year's SLCSP without-waiver Rate (of plans offered statewide)*

PROGRAM YEAR 2026 UPDATES: MARKET IMPACT

Lower Premiums

- The waiver resulted in an average Second-Lowest Cost Silver Plan (SLCSP) rate for plan year 2026 that is **11% less than it would have been if the waiver were not in place.***
- New Hampshire has among the lowest rates in the nation**:

	2026
Average Benchmark Premium	Lowest
Average Lowest-Cost Bronze Premium	2nd Lowest
Average Lowest-Cost Silver Premium	Lowest
Average Lowest-Cost Gold Premium	2nd Lowest

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

***Findings from the Kaiser Family Foundation State Health Facts "Average Marketplace Premiums by Metal Tier – 2026"*

PROGRAM YEAR 2026 UPDATES: MARKET IMPACT

Enrollment Change

- Through April, enrollment is 73,090
 - 3,161 (4.1%) decrease from December 2025
- **However...**
 - Enhanced APTC subsidies did not continue into 2026
 - In planning, we estimated a larger decline
 - The national enrollment decline is estimated at 17% to 22%
 - We anticipate flat enrollment going forward



**2026 Enrollment based on carrier reporting.*



PROGRAM YEAR 2027 PLANNING & OTHER UPDATES AND NEXT STEPS

PROGRAM YEAR 2027 PLANNING: REINSURANCE PARAMETERS

NHHP's Actuarial Workgroup continues to support program development:

- Members - Senior actuaries from each carrier participating in the program
- Role - Consult on key implementation milestones that require actuarial work
- The workgroup members worked with NHHP, NHID, and NHHP's actuarial firm (Leif Associates) to provide data and insight to inform the development of reinsurance parameters for the 2027 program year.



PROGRAM YEAR 2027 PLANNING: REINSURANCE PARAMETERS

The actuarial workgroup met with staff and Leif Associates in February and March 2026.



The actuarial workgroup recommended parameters that were presented to the NHHP Board on March 19, 2026.



The Board adopted those recommendations for submission to Commissioner Bettencourt on March 19, 2026.



The Commissioner approved those parameters on March 23, 2026.

PROGRAM YEAR 2027 PLANNING: FUNDING & REINSURANCE PARAMETERS

2027 Funding Projections:

Funding Category	
Projected Federal	\$23.7 million
Projected State*	\$18.6 million
Projected Total	\$42.3 million

**Carrier Assessment - 60 basis points of the PY 2026 SLCSF without-waiver premium (of plans offered statewide)*

2027 Parameters

Attachment Point	\$60,000
Cap	\$400,000
Target Coinsurance**	30%

***Coinsurance is not finalized until funding and claims are confirmed.*

PROGRAM YEAR 2027 PLANNING: ENROLLMENT & OTHER CONSIDERATIONS

2027 Enrollment Projections:

- Assume “normal” 4% enrollment increase in January
- Project “normal” attrition resulting in slight enrollment decline by 12/27

2027 Other Impact Considerations

- Premium “Buy-Down”
- Adverse Selection?
- Claim Cost Escalation

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.

Next Steps

- ❑ NHHP and NHID will be working with Leif Associates and the AWG to assess whether the parameters should be adjusted going forward to better align with claim trends (starting in 2028).





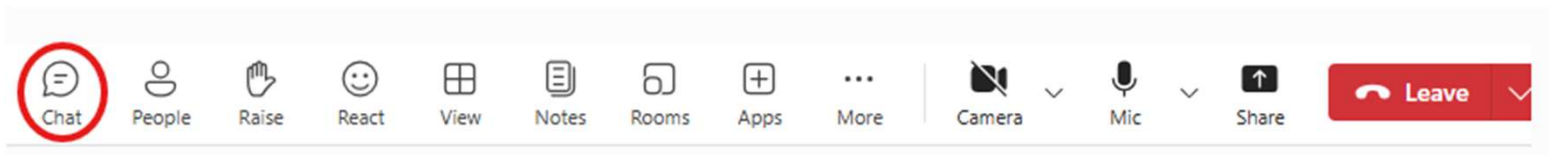
QUESTIONS AND COMMENTS

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 **July 1st** to lkaplanhowe@pcgus.com or by mail to J. Michael Degnan at:

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