Affordable Care Act State Innovation Waiver Enters Federal Decision-Making Period

February 1, 2017 JUNEAU – The State of Alaska received notification that the U.S. Department of Health & Human Services has completed a preliminary review of Alaska’s Section 1332 State Innovation Waiver and made a preliminary determination that the application is complete. The application is now in the federal public notice process and decision-making period. Public comments on the application can be emailed to stateInnovationWaivers@cms.hhs.gov until February 16, 2017.

“We are pleased with the swift initial review and look forward to a final decision in the coming months,” said Lori Wing-Heier, director of the Division of Insurance. “We’ve had very positive interactions with the new administration and look forward to working with them on strategies, such as those proposed in this waiver, to stabilize the healthcare insurance market.”

In an effort to ensure the long-term viability of the individual healthcare insurance market in the state, the Division of Insurance submitted an application in early January 2017 for a Section 1332 State Innovation Waiver, which would allow changes to the administration of the Affordable Care Act in Alaska.

Under separate cover before the administration’s transition, Sylvia Burwell, who was at the time serving as the Secretary of Health and Human Services, advised Governor Walker that before the federal departments can approve the waiver, legislation must be enacted appropriating funds for the Alaska Reinsurance Program for FY2018 forward, contingent upon approval of the innovation waiver.

The Alaska Reinsurance Program mitigates the substantial rate increases in the individual healthcare insurance market. In addition to providing relief to Alaskans, the relatively lower rates reduce the amount of Advanced Premium Tax Credits the federal government is responsible for providing to Alaska residents. Alaska is requesting that the federal savings that will be generated as a result of a reduction in tax credits be passed to the state to ensure the long-term stabilization of Alaska’s individual health insurance market.

The Division of Insurance, along with the Division of Banking and Securities, the Division of Corporations, Business and Professional Licensing, the Alcohol and Marijuana Control Office, and the Regulatory Commission of Alaska, is an agency housed within the Alaska State Department of Commerce, Community and Economic Development tasked with protecting consumers in Alaska. For additional information about the division, please visit insurance.alaska.gov. For additional information about the Department of Commerce, Community, and Economic Development and its other agencies, please visit commerce.alaska.gov.

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