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STATE OF ALASKA

PRESS RELEASE

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## Alaska Reinsurance Program Funded at \$78.4 Million for Plan Year 2021

**Monday, March 1, 2021 (Juneau)** – Alaska is set to receive \$78,442,889 in 2021 for the Alaska Reinsurance Program, the U.S. Departments of Health & Human Services and Treasury announced this week. Alaska's State Innovation Waiver under Section 1332 of the Patient Protection and Affordable Care Act was approved in July 2017 and has helped drive down premiums in Alaska's individual and small group health insurance markets since plan year 2018.

"This is wonderful news," **said Division of Insurance Director Lori Wing-Heier.** "Our reinsurance program has been a great success and provided reduced premiums since its inception."

The waiver provides flexibility to address state-specific issues and improve the health care insurance market. The Alaska Reinsurance Program reimburses individual market insurers for claims in 34 high risk categories. By isolating claims known to have high costs from the risk pool, premiums are reduced for the remaining participants.

Because most Alaskans (about 84%) in the individual market receive a federal Advance Premium Tax Credit (APTC) subsidy, the federal government saves money as premium costs are reduced. Through the waiver process, these federal savings must be passed back to the state to maintain market reforms that help lower costs.

*The Division of Insurance is a division within the Alaska Department of Commerce, Community, and Economic Development (DCCED). To learn more about DOI, visit <https://www.commerce.alaska.gov/web/ins>. To learn more about DCCED and its other divisions and corporate agencies, visit <https://www.commerce.alaska.gov>.*

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