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Federal government to distribute \$58 million to Alaska Reinsurance Program in 2018

February 9, 2018 ANCHORAGE—Governor Bill Walker is pleased to announce that the Centers for Medicare and Medicaid Services (CMS) has calculated the federal contribution to the Alaska Reinsurance Program for calendar year 2018 will be approximately \$58.5 million.

“Working together with the Alaska Legislature and the federal government, we have created an innovative solution to stabilize the market, which other states are now attempting to replicate,” said Governor Walker. “We are committed to developing smarter solutions like the Alaska Reinsurance Program so that all Alaskans have access to affordable health insurance.”

The Alaska Legislature established the [Alaska Reinsurance Program](#) in 2016 to reinsure claims for Alaskans with high-cost medical conditions, which reduces the premiums for over 18,000 Alaskans in the individual market. The Division of Insurance then pursued a [1332 innovation waiver](#) to pass the federal savings from reduced Affordable Care Act tax credits back to the state to offset the price of the reinsurance program.

“Alaska’s small population creates challenges,” said Lori Wing-Heier, director of the Division of Insurance, “but while premiums in the individual market are rising sharply in most states, because of the reinsurance program Alaskans saw only a modest rate increase in 2017 and a 22 percent *decrease* in the average individual market plan in 2018.”

When Alaska’s innovation waiver was approved in July 2017, the estimated award was \$322.6 million over five years, with the exact amount to be calculated by the federal government each year. The annual CMS calculation for 2018 funding is \$58.5 million, subject to final administrative determination by the U.S. Department of Treasury.

Attached: Letter from CMS.

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