

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers – Reinsurance Waiver Annual Report

Reporting Instructions: Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on your specific terms and conditions (STC), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked "if applicable," please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft annual reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE: Alaska

A. GRANTEE INFORMATION		
1. Reporting Period End Date Dec 31, 2022	2. Report Due Date August 28, 2023	3. Report Submitted On (Date) August 28, 2023
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency SIWIW180004	6a. UEI Number 809387467	6b. EIN 92-6001185
7. Recipient Organization Name Alaska Department of Commerce, Community and Economic Development		
Address Line 1 Division of Insurance		
Address Line 2 P.O. Box 110805		
Address Line 3 		
City Juneau	State AK	ZIP Code 99811
ZIP Extension 0805	8. Grant Period Start Date January 1, 2018	9. Grant Period End Date December 31, 2027
10. Other Attachments (attach other documents as needed or as instructed by the awarding federal agency)		

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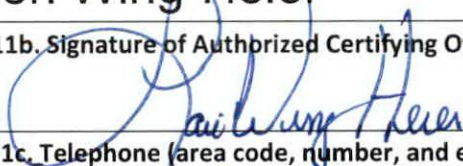
B. REPORT CERTIFICATION

11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

11a. Typed or printed name and title of Authorized Certifying Official

Lori Wing-Heier

11b. Signature of Authorized Certifying Official



11c. Telephone (area code, number, and extension)

907-269-7896

11d. Email address

lori.wing-heier@alaska.gov

11e. Date report submitted (month/day/year)

August 28, 2023

C. PROGRESS OF SECTION 1332 WAIVER – General

12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.

On May 3, 2022, the Division received the pass-through award amount of \$119,410,740 from CMS and the Department of Treasury for calendar year 2022. The program was set at \$100 million for 2022.

On January 31, 2022, the division held the post-award public forum. See item #25 of this report for more information.

On March 17, 2022 the division submitted a request for a five year extension of the 1332 waiver. On April 18, 2022 CMS provided a notice of completeness of the extension. On July 13, 2022 the division received approval of the the 1332 waiver extension. The STCs for the extension was signed September 13, 2022.

The division drafted a 2022 grant agreement with ACHIA, which was signed by both parties on April 26, 2022.

The division worked with Oliver Wyman to prepare Alaska's 1332 waiver reinsurance pass-through funding report for calendar year 2023. The report was submitted on September 23, 2022.

The Division received 2022 Q1 funding request on September 28, 2022. Q2 and Q3 requests were received March 28, 2023. The Q4 request was received June 16, 2023.

13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails, and plans for and results of associated corrective actions. After the first year, only report on changes and/or updates, as appropriate.

N/A

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D. PROGRESS OF SECTION 1332 WAIVER – State-Specific		
14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1)		
	Value	Comments (if applicable)
a. Actual individual market enrollment on the Exchange in the state	20,969	December 2022 enrollment. Note since Alaska is a FFE, CMS will have better data.
Actual individual market enrollment off the Exchange in the state	1,420	December 2022 enrollment
b. Actual average individual market premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$739.84	
Actual average individual market premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$660.99	
c. Actual Second-Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year-old non-smoker) in each rating area	i. Area 1 \$589 Area 1 \$598 ii. Area 2 \$594 Area 2 \$604 iii. Area 3 \$565	Rating areas are split into two areas due to marketing restrictions by one of the carriers.
Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year-old non-smoker) in each rating area	i. Area 1 \$897 Area 1 \$911 ii. Area 2 \$905 Area 2 \$920 iii. Area 3 \$861	Rating areas are split into two areas due to marketing restrictions by one of the carriers.
d. For states with State-based Exchanges , actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year	N/A	
e. For states with State-based Exchanges , actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.	N/A	

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15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.

The waiver impacts the cost of health care premiums, but does not impact the components of the EHB benchmark. The EHB benchmark plan is not modified in any way by the 1332 waiver.

16. Describe any changes to the state-operated reinsurance program, including changes to the funding level the program will be operating at for the next plan year, any changes to the approved payment parameters for reinsurance program reimbursement or changes to eligibility criteria for enrollees' claims to be reimbursed under the program.

In response to expanded ACA premium tax credits under the American Rescue Plan Act, CMS increased pass-through funding to Alaska by \$43.8 million. At the end of the rate review process in 2021, Alaska increased the reinsurance program to \$100 million for 2022, resulting in lower marketplace premiums than initially anticipated.

17. Describe any changes in state law that might impact the waiver and the date(s) these change occurred or are expected to occur.

There were no changes to state law relevant to the program during calendar year 2022.

18. Report on spending:

	Value	Comments (if applicable)
a. Amount of federal pass-through funding spent on individual claim payments to issuers from the reinsurance program	\$100,000,000	
b. Amount of federal pass-through funding spent on operation of the reinsurance program	\$0	
c. Amount of any unspent balance of federal pass-through funding for the reporting year	\$19,410,740	
d. Amount of state funding contribution to fully fund the program for the reporting year	\$0	The ARP used ceded premium to fund the administrative cost of the program.

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19. If applicable, provide a claims breakout at an aggregate level for the top five conditions or cost drivers of the five conditions, including settings of care in the individual market.

For a claims breakout for the top 5 conditions, including settings of care, see attachment.

20. If applicable, report on any incentives for providers, enrollees, and plan issuers to continue managing health care cost and utilization for individuals eligible for reinsurance.

Given that the program is capped, there is an inherent incentive for providers and plan issuers to treat enrollees as if they are not in the reinsurance pool in order to stay within the budget.

21. If applicable, report of any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high-cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high-cost risk adjustment program.

	Value	Comments (if applicable)
a. Reinsurance payment (before reconciliation) for high-cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool	\$4,735,126.91	
b. Risk adjustment amount paid by HHS for those claims	\$4,735,126.91	
c. Reinsurance reconciliation (or true-up) amount applied	\$4,735,126.91	

E. POST-AWARD FORUM

22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?

- ☒ Yes
☐ No

23. State website address where Post-Award Forum was advertised

<https://aws.state.ak.us/OnlinePublicNotices/>

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24. Date Post-Award Forum took place

January 31, 2022

25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received and actions taken in response to concerns or comments.

The forum was noticed on the division's website and via the State of Alaska's Online Public Notice system on December 20, 2021. Interested parties could submit comments in writing up to 5:00 pm Alaska Time Zone on January 31, 2022. No written comments were received.

The public comment meeting was held on January 31, 2022 from 2:00 pm - 3:00 pm. The meeting was a combined public comment meeting for the extension application and for the post-award forum. The verbal comments included the President of the Board and Executive Director for the Alaska Comprehensive Health Insurance Association which administers the program. ACHIA continues to run the state's high risk pool and administer the Alaska Reinsurance Program. Their comments praised the program and supported its continued efforts. There were not any requested changes to the program.

Additional information was available on the division website: <http://www.commerce.alaska.gov/web/ins/Section1332.aspx>.

26. Other Attachments (attach other documents as needed pertaining to Post-Award Form)

N/A

F. STATE INTERNAL IMPLEMENTATION REVIEW – ATTESTATION

27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).

☒ Yes

☐ No

28. Describe the state's implementation review process.

The division completes internal risk assessment matrices as well as incorporating language into its grant agreement with pass-through entity ACHIA.