

CCIIO DATA BRIEF SERIES

Data Brief on State Innovation Waivers: State-based Reinsurance Programs

December 2022

BACKGROUND

Section 1332 of the Affordable Care Act (ACA) permits states to apply for waivers from certain ACA requirements to pursue innovative and individualized state strategies that provide their residents with access to affordable, quality health care, subject to approval by the Department of Health and Human Services (HHS) and the Department of the Treasury (the Departments). In order for a section 1332 waiver to be approved, the Departments must determine that the waiver will provide coverage that is at least as comprehensive as the coverage provided without the waiver; will provide coverage and cost-sharing protections against excessive out-of-pocket spending that are at least as affordable as without the waiver; will provide coverage to at least a comparable number of residents as without the waiver; and will not increase the federal deficit. States were first able to apply for section 1332 waivers beginning on January 1, 2017, and as of September 30, 2022, 18 states have approved section 1332 waivers.

As of Plan Year (PY) 2022, 15 states with approved section 1332 waivers operate state-based reinsurance programs by waiving the single risk pool requirement under section 1312(c)(1) of the ACA to the extent that it would otherwise require excluding total expected state reinsurance payments when establishing the market-wide index rate.ⁱⁱ

The data presented below provide an overview of the state-based reinsurance programs implemented as of PY 2022 under currently approved section 1332 waivers (referred to throughout this report as section 1332 state-based reinsurance waivers), including relevant information about premiums, issuer participation, and enrollment.ⁱⁱⁱ

The Departments remain committed to working with state partners to advance health care coverage policies. Through section 1332 waivers, the Departments aim to assist states with developing health insurance markets that expand coverage, lower costs, and ensure that affordable health coverage is available for their residents.

CURRENTLY APPROVED SECTION 1332 STATE-BASED REINSURANCE WAIVERS

Funding Sources and Program Design Elements

Tables 1 and 2 summarize state funding sources and programmatic elements for currently operating section 1332 state-based reinsurance waivers.^{iv} Through section 1332 waivers, states have designed and implemented different reinsurance models, including: a claims cost-based model, where issuers are reimbursed for a portion of the costs of enrollees whose claims exceed an attachment point (CO, DE, GA, MD, ME (for PY 2022 and beyond), MN, MT, ND, NH, NJ, OR, PA, RI, WI); a conditions-based model, where insurers are reimbursed for costs of individuals with one or more of pre-determined high-cost conditions (AK); or a hybrid conditions and claims cost-based model (ME (for PYs 2019 – 2021)).

ⁱ State-based reinsurance programs are distinct from the temporary federal reinsurance program that was effective for the 2014 through 2016 benefit years, the latter having been established via section 1341 of the ACA. The goal of the ACA's temporary reinsurance program was to stabilize individual market premiums during the early years of the federal market reforms that took effect beginning in 2014.

ⁱⁱ Other states with approved section 1332 waivers not included in this report are: Hawaii (approved section 1332 waiver to waive the Small Business Health Options Program), Virginia and Idaho (state-based reinsurance programs approved to begin in PY 2023), Colorado's waiver amendment (Colorado Option in addition to the extension of Colorado's state-based reinsurance program, approved to begin in PY 2023), and Maine's waiver amendment (merged market in addition to the extension and application of Maine's state-based reinsurance program to its newly merged market approved to begin in PY 2023).

ⁱⁱⁱ The information contained in this report reflects the American Rescue Plan Act of 2021 (ARP), such that the ARP's enhanced premium tax credits (PTC) increased states' final 2021 pass-through determinations, and led some states to update their PY 2021 parameters since submitting rate filings for PY 2021.

^{iv} State legislation authorizing states' funding sources is listed in the endnotes.

TABLE 1
State Funding Sources for Section 1332 State-Based Reinsurance Waivers

State	First Year of Operation Under a Waiver	State Funding Sources ^v
Alaska	2018	Alaska funds the state portion of its section 1332 state-based reinsurance waiver through a separate fund called the Alaska Comprehensive Health Insurance Fund. This fund is established within Alaska's general fund and financed by the state's premium tax that applies to all lines of insurance (not just health insurers) in Alaska. ¹ Premium tax rates vary from 0.75% to 6% depending on insurer type.
Minnesota	2018	Minnesota funds the state portion of its section 1332 state-based reinsurance waiver through its general fund and a portion of past accumulations of the state's 2% provider tax, which applies to hospitals and other providers. ^{2,3}
Oregon	2018	For PYs 2018 through 2019, Oregon funded the state portion of its section 1332 state-based reinsurance waiver through a phased-in 1.5% state premium assessment levied on major medical premiums and, for PY 2018 only, Oregon also used excess fund balances held in two state programs, the Oregon Health Insurance Marketplace (OHIM) fund and the Oregon Medical Insurance Pool (OMIP) account. ⁴ Starting in PY 2020, Oregon made two changes to the assessments: 1) increased the premium assessment to 2%, and 2) expanded the assessment to apply to premiums derived from "insurance described in ORS 742.065" (stop loss insurance). ^{5,6}
Maine	2019	Maine funds the state portion of its section 1332 state-based reinsurance waiver through a market-wide assessment of \$4 per member per month. Previously under the hybrid model (PYs 2019-2021), the state also collected a ceding premium equal to 90% of premiums received from consumers for all policies ceded, whether on a mandatory or discretionary basis. ⁷
Maryland	2019	In PY 2019, Maryland funded the state portion of its section 1332 state-based reinsurance waiver through a 2.75% state assessment on certain health insurance carriers. ⁸ The assessment equals the amount carriers otherwise would have been subject to under the now-repealed federal Health Insurance Providers Fee of Section 9010 of the ACA. Maryland extended and reduced the assessment to 1% for PYs 2020-2023. ⁹
New Jersey	2019	New Jersey funds the state portion of its section 1332 state-based reinsurance waiver from revenue raised by shared responsibility payments per the state individual mandate, ¹⁰ and if necessary, the state general fund.
Wisconsin	2019	Wisconsin funds the state portion of its section 1332 state-based reinsurance waiver through state general purpose revenue (GPR), which consists of general taxes, miscellaneous receipts, and revenues collected by the state. The state is able to appropriate GPR for the Wisconsin Healthcare Stability Plan (WIHSP) through a sum sufficient appropriation. ¹¹
Colorado	2020	Colorado funds the state portion of its section 1332 state-based reinsurance waiver through the Colorado Health Insurance Affordability Enterprise (Enterprise). The Enterprise was established under Colorado Senate Bill 20-215 in June 2020. ¹² The main source of funding for the Enterprise is drawn from a fee on health insurers who would otherwise be subject to the now repealed federal Health Insurance Provider Fee under Section 9010 of the ACA. For PYs 2022 and 2023 only, Colorado will administer a special assessment on hospitals. A portion of the state's health insurance premium tax revenue will also go to the Enterprise. Money from the state's general fund is available for section 1332 waiver administration.
Delaware	2020	Delaware funds the state portion of its section 1332 state-based reinsurance waiver through an assessment on carriers and any person or entity subject to state regulation that provides either 1) products that would otherwise be subject to the federal Health Insurance Providers Fee under Section 9010 of the ACA; or 2) products subject to a state assessment. The state assessment is 2.75% of premium annually in years that the Health Insurance Providers Fee is waived, and 1% of premium annually in years that the Health Insurance Providers Fee is assessed. ¹³

^v Unless otherwise indicated, the state funding sources presented reflect all active years to date of a given state's reinsurance program.

State	First Year of Operation Under a Waiver	State Funding Sources ^v
Montana	2020	Montana funds the state portion of its section 1332 state-based reinsurance waiver through a 1.2% annual state assessment on major medical health insurance premiums. ¹⁴
North Dakota	2020	North Dakota funds the state portion of its section 1332 state-based reinsurance waiver through a state assessment on insurers writing in the small and large group health insurance markets. North Dakota allows insurers to deduct the assessment from the state premium tax. ¹⁵ The PY 2020 assessment on the insurers was approximately \$22M. Assessments were suspended in the third quarter of PY 2020 and the suspension is expected to continue through PY 2021.
Rhode Island	2020	Rhode Island funds the state portion of its section 1332 state-based reinsurance waiver from penalties collected from the state individual mandate. ¹⁶ Previously in PY 2020 and before individual mandate penalties were collected, Rhode Island received a one-time state appropriation for the Health Insurance Market Integrity Fund to support operation and administration of the program. ¹⁷
Pennsylvania	2021	Pennsylvania funds the state portion of its section 1332 state-based reinsurance waiver through a portion of a user fee that is 3.0% of premiums and assessed on issuers participating in the Pennsylvania Health Insurance Exchange and other available state sources. This fee only affects individual market issuers, as there are currently no participating SHOP issuers. ¹⁸
New Hampshire	2021	New Hampshire funds the state portion of its section 1332 state-based reinsurance waiver through a premium assessment of 0.6% of the previous year's second lowest cost silver plan without waiver rate across all licensed health insurance issuers in the state's individual and group health insurance markets with some exceptions. ^{19,20}
Georgia	2022	Georgia funds the state portion of its section 1332 state-based reinsurance waiver through state general funds. ²¹

TABLE 2
Program Design Elements of Section 1332 State-Based Reinsurance Waiver

State	Type of Reinsurance Program	Program Parameters
Alaska	Conditions-Based	Total Amount of Reinsurance Payments:^{vi} Planned* / Paid \$60M* / \$60M (2018) \$64.1M* / \$64.1M (2019) \$69M* / \$64.4 (2020) \$80M* / \$80M (2021) \$100M* (2022)
		Eligibility: For 2018 and 2019, Alaska covered all the costs of claims for one or more of 33 conditions specified in state regulation. Since 2020, Alaska has covered all claims costs for residents diagnosed with one or more of 34 covered conditions identified in regulation, ^{vii} including severe COVID-19 cases. Cap: None, but for claims above \$1M the program pays net of amounts covered by the federal risk adjustment program high-cost risk pool (2018-2022).
Minnesota	Claims cost-based	Total Amount of Reinsurance Payments: Planned* / Paid Up to \$271M* / \$136.1M (2018) Up to \$271M* / \$149.7M (2019) \$165.8M* / \$160.2M (2020) \$194.7M* / \$189.3M (2021) \$180.7M* (2022)
		Attachment Point: \$50,000 (2018/2019/2020/2021/2022) Coinsurance Rate: 80% (2018/2019/2020/2021) 60% (2022) Cap: \$250,000 (2018/2019/2020/2021/2022)
Oregon	Claims cost-based	Total Amount of Reinsurance Payments: Planned* / Paid \$90M* / \$90M (2018) \$95.4M* / \$94.5M (2019) \$101.8M* / \$87.3M (2020) \$104.3M* / \$97.1M (2021) \$107.9M* (2022)
		Attachment Point: \$95,000 (2018) \$90,000 (2019/2020) \$83,000 (2021) \$95,000 (2022) Coinsurance Rate: 59.2% (2018) 50% (2019/2020/2021/2022) Cap: \$1M (2018/2019/2020/2021/2022)

^{vi} In Table 2 for *Total Amount of Reinsurance Payments*, values marked with one asterisk (*) indicate the total planned cost of the reinsurance payments for eligible claims, which is the state's estimated total reinsurance reimbursements for a given reporting year for eligible claims expected to be incurred in the individual market. This value is also reflected in states' pass-through reporting for the applicable PY. However, planned or estimated reinsurance payment amounts for a given year will vary, depending on the point in time. States may update these estimates each year, based on premium rates, enrollment, and other factors that change from year to year.

Values without any asterisks indicate the total actual amount paid out by the state for reinsurance payments in the individual market for a given reporting year where known. The final total amount paid out by the state for a given reporting year is typically available in the following PY. Furthermore, the total actual amount does not include the expected operational costs associated with running the state-based reinsurance program.

The average premium reduction rates in the with waiver scenario compared to the without waiver scenario for a given PY (as seen in Table 3) reflect the total planned cost of the reinsurance payments for eligible claims. States may update their program budgets and payment parameters as more claims and enrollment data are received.

^{vii} <http://www.akleg.gov/basis/aac.asp#3.31.540>

TABLE 2, cont.
Program Design Elements of Section 1332 State-Based Reinsurance Waiver

State	Type of Reinsurance Program	Program Parameters			
Maine	Hybrid (attachment point/ conditions-based, 2019/2020/2021)	Total Amount of Reinsurance Payments: Planned* / Paid \$89.7M* / \$90.5M (2019) \$81.8M* / \$69M (2020) \$86M* / \$73.5M (2021) \$63M* (2022)			
	Claims cost-based (2022)	Eligibility: Under the former hybrid model, there were two types of ceding to the Maine Guaranteed Access Reinsurance Association (MGARA) for reinsurance benefits: 1) all policies covering individuals with one of eight listed high-risk health conditions are required to be ceded, and 2) any other policies may be ceded at the carrier's discretion (2019/2020/2021). Attachment Point: \$47,000 (2019) \$65,000 (2020) \$65,000 (2021) \$76,000 (2022) Coinsurance Rate: 90% for \$47,000-\$77,000 in 2019 and for \$65,000-\$95,000 in 2020 and 2021; 100% for >\$77,000 in 2019 and for >\$95,000 in 2020 and 2021; and a percentage of claims above \$1M, which are not partially covered by the high cost risk pool under the federal risk adjustment program (2019/2020/2021). 100% (2022) Cap: None, but for claims above \$1M the program pays net of amounts covered by the federal risk adjustment program high-cost risk pool (2019/2020/2021). \$250,000 (2022)			
Maryland	Claims cost-based Since 2019, issuers participating in Maryland's reinsurance program have been required to annually submit information on program accountability. ^{viii} The state also focuses on collecting targeted information on diabetes, behavioral health, asthma, and pregnancy/childbirth.	Total Amount of Reinsurance Payments: Planned* / Paid \$462M* / \$352.8M (2019) \$400M* / \$467.7M (2020) \$416.8M* / \$400.1M (2021) \$491.6M* (2022)			
		Attachment Point: \$20,000 (2019/2020/2021/2022) Coinsurance Rate: 80% (2019/2020/2021/2022) Cap: \$250,000 (2019/2020/2021/2022) Dampening Factor (optional):^{ix} 0.800 (2019) 0.785 (2020) 0.760 (2021) 0.805 (2022)			
New Jersey	Claims cost-based	Total Amount of Reinsurance Payments: Planned* / Paid \$295M* / \$267.7M (2019) \$320M* / \$294.7M (2020) \$397.5M* / \$376.3M (2021) \$454.5M* (2022)			
		Attachment Point: \$40,000 (2019/2020) \$35,000 (2021/2022) Coinsurance Rate: 60% (2019/2020) 50% (2021/2022) Cap: \$215,000 (2019/2020) \$245,000 (2021/2022)			

^{viii} COMAR 14.35.17.03(C), [https://www.marylandhbe.com/wp-content/uploads/2018/09/14.35.17%20Regulatory%20Text%20\(final\).pdf](https://www.marylandhbe.com/wp-content/uploads/2018/09/14.35.17%20Regulatory%20Text%20(final).pdf)

^{ix} In some states, the section 1332 state-based reinsurance waiver may interact with the high-cost risk pool component of the HHS-operated risk adjustment program, creating an overlap between the two programs for enrollees with the highest claims costs in which double payments could occur. To address this interaction, states may choose to apply a dampening factor to adjust payments made under the section 1332 state-based reinsurance program.

State	Type of Reinsurance Program	Program Parameters
Wisconsin	Claims cost-based Beginning in 2022, issuers participating in Wisconsin's reinsurance program are required to annually submit information to the state on care management and top health conditions covered. ^x	<p>Total Amount of Reinsurance Payments: Planned* / Paid \$200M* / \$174.3M (2019) \$200M* / \$183.5M (2020) \$200M* / \$202.8M (2021) \$230M* (2022)</p> <p>Attachment Point: \$50,000 (2019) \$40,000 (2020/2021/2022)</p> <p>Coinsurance Rate: 50% (2019/2020) 48% (2021) 50% (2022)</p> <p>Cap: \$250,000 (2019) \$175,000 (2020/2021/2022)</p>
Colorado	Claims cost-based Since 2020, issuers participating in Colorado's reinsurance program have been required to annually submit to the state care management protocols. ^{xi}	<p>Total Amount of Reinsurance Payments: Planned* / Paid \$250M* / \$229.1M (2020) \$262M* / \$237.6M (2021) \$267.7M* (2022)</p> <p>Colorado's program specifies a three-tier structure for coinsurance rates, with targeted reduction in claim costs by rating area.</p> <p>Attachment Point: \$30,000 (2020/2021/2022)</p> <p>Coinsurance Rate:^{xii} Average 60% (2020) Average 55% (2021) Average 55.3% (2022)</p> <p>Cap: \$400,000 (2020/2021/2022)</p> <p>Tiers:</p> <ul style="list-style-type: none"> • Tier 1 (Rating Areas 1, 2, 3 for Boulder, Colorado Springs, Denver): Claim costs are to be reduced by between 15% and 20%; • Tier 2 (Rating Areas 4, 6, 7, 8 for Fort Collins, Greeley, Pueblo, Eastern Plains, central southern part of state): Claim costs are to be reduced by between 20% and 25%; • Tier 3 (Rating Areas 5 and 9 for Grand Junction, Mountain Areas, Western Slope, western half of state): Claim costs are to be reduced by between 30% and 35%.
Delaware	Claims cost-based	<p>Total Amount of Reinsurance Payments: Planned* / Paid \$26.9M* / \$23.8M (2020) \$39.3M* / \$49.9M (2021) \$52.1M* (2022)</p> <p>Attachment Point: \$65,000 (2020/2021/2022)</p> <p>Coinsurance Rate: 75% (2020) 80% (2021/2022)</p> <p>Cap: \$215,000 (2020) \$335,000 (2021) \$300,000 (2022)</p>

^x https://docs.legis.wisconsin.gov/code/admin_code/ins/19

^{xi} HB 19-1168, <https://leg.colorado.gov/bills/hb19-1168>. Also see <https://drive.google.com/file/d/1xc2l6oftUNAlzQKAAGQJtsD8xcCRvkgg/view>

^{xii} Note the average coinsurance rates listed are not weighted by enrollment. According to Colorado, approximately 70% of enrollees are in Tier 1 (rating areas 1-3), while the remaining 30% are in Tiers 2 and 3 (rating areas 4-9). Because the Tier 1 coinsurance rate is lower than Tiers 2 and 3, if the average coinsurance rates were instead weighted by enrollment, the rates reported would be lower.

State	Type of Reinsurance Program	Program Parameters		
Montana	Claims cost-based	Total Amount of Reinsurance Payments: Planned* / Paid		
		\$32.9M* / \$25.2M (2020)	\$39.1M* / \$39.1M (2021)	\$45.6M* (2022)
		Attachment Point:		
		\$40,000 (2020/2021/2022)		
		Coinsurance Rate:		
		60% (2020/2021/2022)		
		Cap:		
		\$101,750 (2020/2021)	\$106,100 (2022)	
North Dakota	Claims cost-based	Total Amount of Reinsurance Payments: Planned* / Paid		
		\$47.3M* / \$22.5M (2020)	\$24.7M* / \$27.3M (2021)	\$27.5M* (2022)
		Attachment Point:		
		\$100,000 (2020/2021/2022)		
		Coinsurance Rate:		
		75% (2020/2021/2022)		
		Cap:		
		\$1M (2020/2021/2022)		
Rhode Island	Claims cost-based	Total Amount of Reinsurance Payments: Planned* / Paid		
		\$14.7M* / \$10.8M (2020)	\$19.3M* / \$18.8M (2021)	13.6M* (2022)
		Attachment Point:		
		\$40,000 (2020)	\$30,000 (2021/2022)	
		Coinsurance Rate: Target* / Actual		
		50%* / 39.7% (2020)	50%* (2021)	40%* (2022)
		Cap:		
		\$97,000 (2020)	\$72,000 (2021)	\$65,000 (2022)
Pennsylvania	Claims cost-based	Total Amount of Reinsurance Payments: Planned* / Paid		
		\$133.9M* / \$137.5M (2021)	\$179.2M* (2022)	
		Attachment Point:		
		\$60,000 (2021/2022)		
		Coinsurance rate: Target* / Actual		
		60% (2021)	40%* / 64% (2022)	
		Cap:		
		\$100,000 (2021/2022)		
New Hampshire	Claims cost-based Since 2021, issuers participating in New Hampshire's reinsurance program have been required to submit to the state care management protocols. ^{xiii}	Total Amount of Reinsurance Payments: Planned* / Paid		
		\$45.5M* / \$45M (2021)	\$43.5M* (2022)	
		Attachment Point:		
		\$60,000 (2021/2022)		
		Coinsurance Rate: Target* / Actual		
		74%* / 84.6% (2021)	70%* / 67% (2022)	
		Cap:		
		\$400,000 (2021/2022)		

^{xiii} https://nhhp.org/wp-content/uploads/2022/03/NHHP_Restated_Plan_of_Operation_Second_Amendment_04-27-2020-Signed.pdf

State	Type of Reinsurance Program	Program Parameters
Georgia	Claims cost-based	<p>Total Amount of Reinsurance Payments: Planned* / Paid \$474.7M* (2022)</p> <p>Attachment Point: \$20,000 (2022)</p> <p>Coinsurance Rate:^{xiv} Average 47% (2022)</p> <p>Cap: \$500,000 (2022)</p> <p>Tiers:</p> <ul style="list-style-type: none"> • Tier 1 (low-cost regions) includes rating areas 2, 3, 5, 8, 14: Claim costs are to be reduced by 15%; • Tier 2 (mid-cost regions) includes rating areas 1, 7, 9, 12, 16: Claim costs are to be reduced by 45%; • Tier 3 (high-cost regions) includes rating areas 4, 6, 10, 11, 13, 15: Claim costs are to be reduced by 80%.

^{xiv} Note the average coinsurance rate listed is not weighted by enrollment.

Premiums

Table 3 presents the actual impact of the section 1332 state-based reinsurance waiver on statewide average premiums each year of the waiver's operation compared to the estimated impact on statewide average premiums in the first year of the waiver (i.e., as estimated in the original state waiver application). From PYs 2018 to 2022, states that have implemented section 1332 state-based reinsurance waivers for the individual market have reduced statewide average second-lowest-cost silver plan premiums by a range of 3.75% to 41.17% relative to premiums absent the waiver, as shown in Table 3.

TABLE 3
Statewide Average Premium Impact of Section 1332 State-Based Reinsurance Waivers^{xv}

State	First Year of Operation Under a Waiver	Estimated Statewide Average Premium Reduction in First Year of Waiver ^{xvi}	Actual Statewide Premium Reduction from Waiver Compared to No Waiver ^{xvii}				
			2018	2019	2020	2021	2022
Alaska	2018	Up to a 20% reduction	30.18%	33.95%	37.12%	41.17%	38.05%
Minnesota	2018	Up to a 20% reduction	16.78%	20.16%	21.29%	21.31%	14.37%
Oregon	2018	Up to a 7.5% reduction	7.15%	6.71%	8.00%	8.05%	8.09%
Maine	2019	Up to a 9% reduction		13.86%	7.24%	9.11%	10.91%
Maryland	2019	Up to a 30% reduction		39.63%	35.83%	34.00%	29.80%
New Jersey	2019	Up to a 15% reduction		15.49%	16.93%	16.02%	16.03%
Wisconsin	2019	Up to a 11% reduction		9.92%	11.04%	13.04%	13.12%
Colorado	2020	Up to a 16% reduction			22.44%	18.47%	21.70%
Delaware	2020	Up to a 20% reduction ^{xviii}			13.78%	15.80%	15.00%
Montana	2020	Up to an 8% reduction			8.89%	9.38%	9.22%
North Dakota	2020	Up to a 20% reduction			20.03%	12.14%	10.71%
Rhode Island	2020	Up to a 5.9% reduction			3.75%	6.40%	4.96%
Pennsylvania	2021	Up to a 4.6% reduction				4.92%	5.92%
New Hampshire	2021	Up to a 16% reduction				13.90%	13.96%
Georgia	2022	Up to a 10.2% reduction					16.68%
Overall State Average Premium Reduction Among States with Approved Section 1332 State-Based Reinsurance Waivers^{xix}			12.73%	17.84%	17.65%	14.13%	14.50%

^{xv} The statewide average premium is an average of premiums among rating areas in the state, with each rating area given an equal weight. Enrollment data by rating area are unavailable.

^{xvi} The estimated statewide average premium reduction for the first year of the waiver is provided by each state as part of its waiver application.

^{xvii} The actual statewide average premium reductions are calculated using per person per month premium information submitted by each state for pass-through calculations pertaining to each year of the approved waiver. Consistent with the specific terms and conditions of its waiver, each state provides to the Departments: (1) the final second lowest cost silver plan (SLCSP) rates for a representative individual (e.g., a 21-year-old nonsmoker) in each rating area with the approved waiver; and (2) the state's estimate of what the final SLCSP rates for a representative individual in each rating area would have been absent approval of the waiver for each year of the approved waiver.

^{xviii} Delaware estimated a 13-20% average premium reduction, depending on the level of funding expected to be available for each plan year, plus any additional assumed morbidity improvement, as explained in its application.

^{xix} Overall average premium reduction uses 2018 risk adjustment premium to weight each state's premium reduction and estimate an overall premium reduction across states with approved section 1332 state-based reinsurance waivers.

Issuer Participation

Table 4 shows changes in individual market Exchange issuer participation among states with section 1332 state-based reinsurance waivers. Figures 1 and 2 illustrate the change in individual market Exchange issuer participation in these states comparing PYs 2017 (before any reinsurance waivers were operational)^{xx} through 2022 on national maps. Table 5 presents a summary of the percentage of enrollees with access to 1, 2, or 3+ individual market Exchange issuers in states with operational section 1332 state-based reinsurance waivers, compared to the percentage of individual market Exchange enrollees in all states across the U.S.

TABLE 4
Individual Market Issuer Exchange Participation in States with
Section 1332 State-Based Reinsurance Waivers^{xxi}

State	First Year of Operation Under a Waiver	On-Exchange, Individual Market Issuer Participation ^{xxii}					
		2017	2018	2019	2020	2021	2022
Alaska	2018	1	1	1	2 [^] Re-entry: Moda	2	2
Minnesota	2018	4	4	4	4	5 [^] Entry: Quartz Health Solutions	5
Oregon	2018	6	5 Exit: ATRIO Health Plans	5	5	6 [^] Entry: Cambia Health Solutions (additional HIOS ID)	6
Maine	2019	3	2 Exit: Anthem	3 [^] Re-entry: Anthem	3	3	3
Maryland ^{xxiii}	2019	3	2 Exit: Cigna	2	2	3 [^] Re-entry: UnitedHealth Group	3
New Jersey	2019	3	4 [^] Entry: Mulberry Health (Oscar)	4	4	4	5 [^] Entry: Centene

^{xx} Note that Alaska began operating a state reinsurance program in 2017, prior to the first year of its approved section 1332 state-based reinsurance waiver.

^{xxi} For states with a Federally-facilitated Exchange (FFE), CMS issuer counts are based upon the number of unique Health Insurance Oversight System (HIOS) IDs. Issuers represent the organization within an insurance company that is responsible for insurance offerings in a given state. Registering an entity as an Issuer within HIOS will generate a unique Issuer ID. FFE 2022 data reflected in this table are point in time as of October 8, 2021. State-Based Exchange (SBE) 2022 data reflected in this table are self-reported from the Exchanges to CMS. These data are point in time as of October 25, 2021. Note that Maine transitioned from an FFE to an SBE in PY 2022. Issuers offering partial county coverage are considered participating in a county and are included in the total number of issuers in a county. Issuers that partially cover counties do not cover every zip code in the county.

^{xxii} [^]Denotes a new issuer participating (entry or re-entry) in the individual market from the previous year.

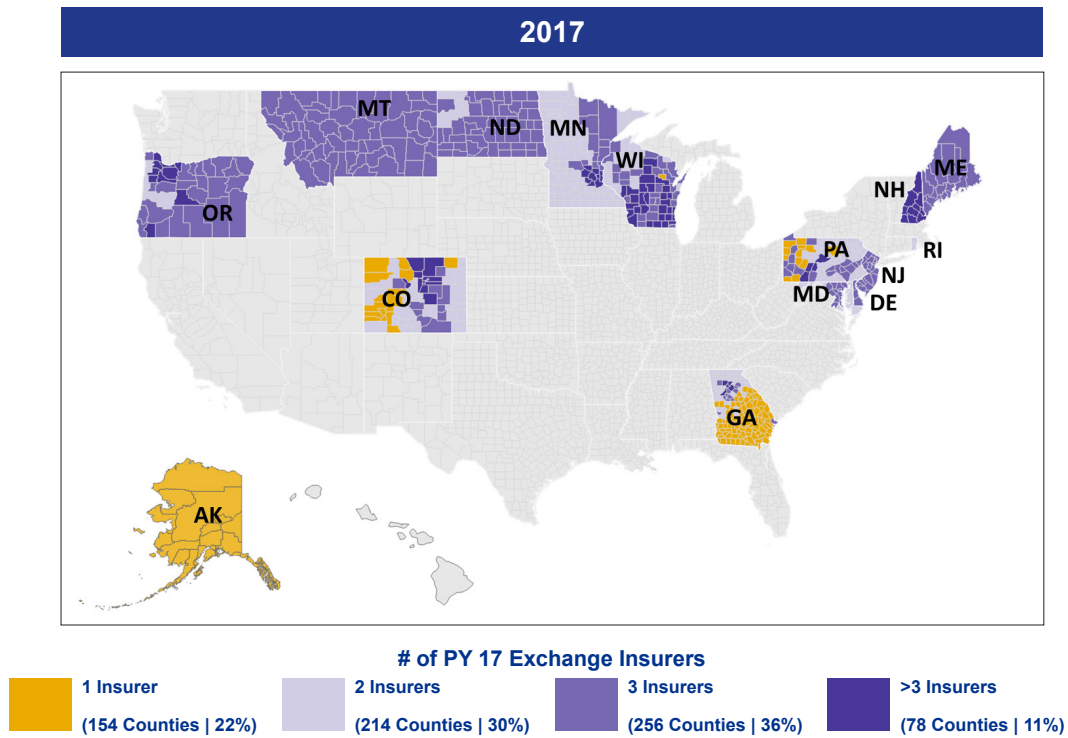
^{xxiii} To ensure that the total counts of issuers within a state or county are consistent with SBE reporting BlueChoice (HIOS 28137), CFMI (HIOS 45532), and GHMSI (HIOS 94084) in Maryland have been aggregated to the parent company level (CareFirst BlueCross BlueShield).

TABLE 4, cont.
Individual Market Issuer Exchange Participation in States with
Section 1332 State-Based Reinsurance Waivers

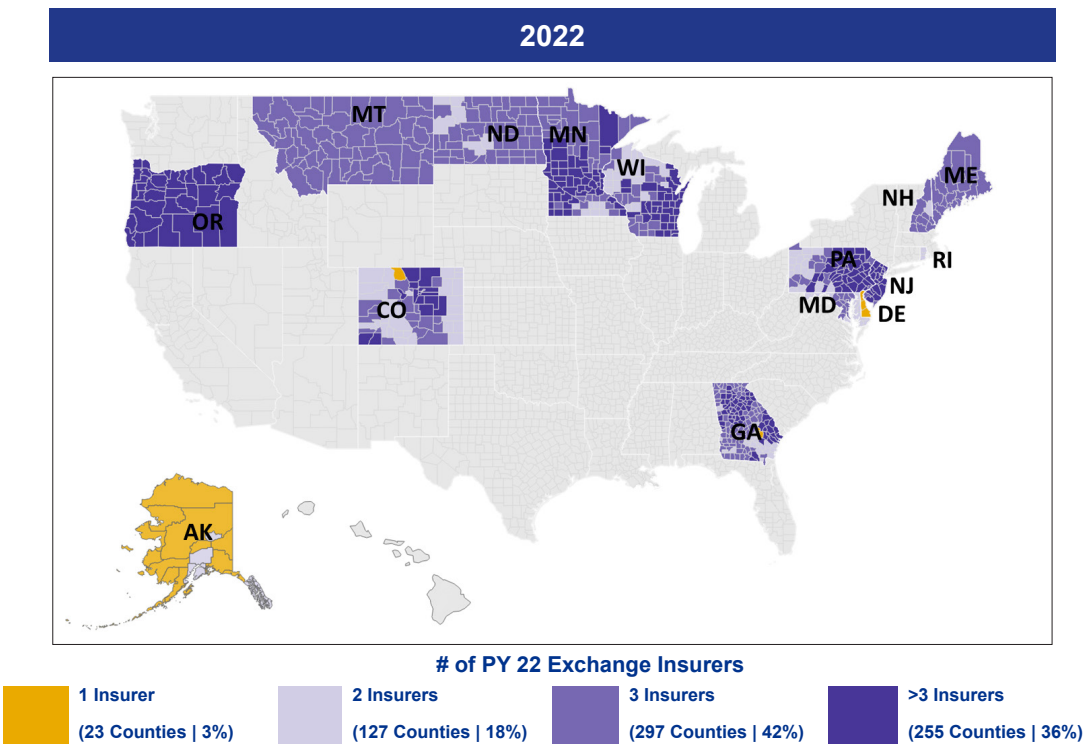
State	First Year of Operation Under a Waiver	On-Exchange, Individual Market Issuer Participation ^{xxii}					
		2017	2018	2019	2020	2021	2022
Wisconsin	2019	15	11 Exits: Anthem, Franciscan Health Solutions, Gundersen Health System, Molina Healthcare	12 [^] Re-entry: Molina	13 [^] Re-Entry: WPS Health Plan, Inc.	14 [^] Re-entry: Anthem	14
Colorado	2020	7	7	7	8 [^] Entry: Oscar Health	8	8
Delaware	2020	3	1 Exits: Aetna (two separate HIOS IDs)	1	1	1	1
Montana	2020	3	3	3	3	3	3
North Dakota	2020	3	2 Exit: Medica	3 [^] Re-entry: Medica	3	3	3
Rhode Island	2020	2	2	2	2	2	2
Pennsylvania	2021	8	9 [^] Entry: Highmark (additional HIOS ID)	11 [^] Entry: Centene Re-entry: Geisinger Health (additional HIOS ID)	12 [^] Entry: Mulberry Health (Oscar)	12	13 [^] Entry: Cigna
New Hampshire	2021	4	3 Exit: Minuteman Health	3	3	3	3
Georgia	2022	5	4 Exit: Humana	4	6 [^] Entries: CareSource, Mulberry Health (Oscar)	6	11 [^] Re-entries: Aetna, UnitedHealth Group Entries: Cigna, Friday Health Plans, Bright Health

FIGURES 1 AND 2

Individual Market Issuer Participation on the Exchanges in States with Section 1332 State-Based Reinsurance Waivers^{xxiv}



Map is as of 11/02/2017 for FFE states and as of 11/17/2017 for SBE states, values may not add to 100% due to rounding.



Map is as of 10/08/2021 for FFE states and as of 10/25/2021 for SBE states, values may not add to 100% due to rounding.

^{xxiv} For illustrative purposes, PY 2017 is provided as a comparison year to PY 2022 because section 1332 waivers were not yet operational in PY 2017, and the first waivers went into effect in PY 2018. Note that for some states, issuers exited the state's individual marketplace prior to the state's implementation of a section 1332 state-based reinsurance waiver, and some states' waivers began operating as recently as PY 2022. For each state's first year of operation and issuer count across PYS 2017 through 2022, please refer to Table 4 above.

TABLE 5
Percent of Enrollees with Access to 1, 2, 3+ Individual
Market Exchange Issuers, Compared to Overall U.S.^{xxv}

Section 1332 State-based Reinsurance Waiver States	1 Issuer			2 Issuers			3+ Issuers		
	2020	2021	2022	2020	2021	2022	2020	2021	2022
	4%	3%	1%	14%	9%	8%	82%	88%	91%
Overall U.S.	9%	3%	2%	18%	15%	8%	73%	82%	90%

^{xxv} Methodology note for Table 5: This analysis weights national averages by Open Enrollment Period county-level enrollment to calculate national level weighted averages. For SBE states whose enrollment data are not available at the county-level, the analysis proportionately allocated state-level enrollment by the population of each county. This imputation method was tested against actual enrollment data for FFE states and found to provide a suitable estimate of county-level enrollment. Enrollment data were obtained from CMS. Values and visualization may not add up to 100% due to rounding.

Enrollment

Table 6 displays individual market enrollment both on- and off-Exchange for states that began implementing section 1332 state-based reinsurance waivers in PYs 2018, 2019, 2020, and 2021.

Table 6: Individual Health Insurance Market Subsidized^{xxvi} and Unsubsidized Average Monthly Enrollment for Select States with Section 1332 State-Based Reinsurance Waivers, Compared to Overall U.S.^{xxvii}

State	First Year of Operation Under a Waiver	Individual Market Enrollment	2016 Individual Market Average Monthly Enrollment	2017 Individual Market Average Monthly Enrollment	2018 Individual Market Average Monthly Enrollment	2019 Individual Market Average Monthly Enrollment	2020 Individual Market Average Monthly Enrollment	2021 Individual Market Average Monthly Enrollment
Alaska ^{xxviii}	2018	Total	17,596	15,898	16,761	16,533	16,814	19,007
		<i>Percent Change^{xxix}</i>		-10%	+5%	-1%	2%	13%
		Subsidized	14,065	13,442	14,125	13,254	13,062	14,625
		<i>Percent Change</i>		-4%	+5%	-6%	-1%	12%
		Unsubsidized	3,531	2,456	2,636	3,279	3,753	4,382
		<i>Percent Change</i>		-30%	+7%	24%	14%	17%
Minnesota	2018	Total	240,312	154,471	148,943	150,950	159,113	163,634
		<i>Percent Change</i>		-35%	-4%	1%	5%	3%
		Subsidized	42,631	61,932	62,832	59,219	57,668	59,707
		<i>Percent Change</i>		+45%	+1%	-6%	-3%	4%
		Unsubsidized	197,681	92,539	86,111	91,731	101,445	103,927
		<i>Percent Change</i>		-53%	-7%	7%	11%	2%
Oregon	2018	Total	224,670	210,384	190,899	177,715	176,021	172,995
		<i>Percent Change</i>		-6%	-9%	-7%	-1%	-2%
		Subsidized	87,436	95,919	98,489	95,106	93,949	93,779
		<i>Percent Change</i>		+10%	+3%	-3%	-1%	0%
		Unsubsidized	137,234	114,465	92,410	82,609	82,071	79,216
		<i>Percent Change</i>		-17%	-19%	-11%	-1%	-3%
Maine	2019	Total	82,158	77,897	72,801	67,260	62,872	64,633
		<i>Percent Change</i>		-5%	-7%	-8%	-7%	3%
		Subsidized	63,402	57,984	57,883	52,589	47,512	46,731
		<i>Percent Change</i>		-9%	-0.2%	-9%	-10%	-2%
		Unsubsidized	18,756	19,913	14,918	14,671	15,360	17,902
		<i>Percent Change</i>		6%	-25%	-2%	5%	17%

^{xxvi} Subsidized and unsubsidized in terms of eligibility for Advance Payments of the Premium Tax Credit (APTC).

^{xxvii} For 2016 through 2019 enrollment data, see “Trends in Subsidized and Unsubsidized Enrollment October 9, 2020.” Data includes average monthly enrollment in the ACA individual market (on- and off-Exchange), and does not include enrollment in grandfathered or transitional (“grandmothered”) plans. Available online at <https://www.cms.gov/CCIIO/Resources/Forms-Reports-and-Other-Resources/Downloads/Trends-Subsidized-Unsubsidized-Enrollment-BY18-19.pdf>. Enrollment data for 2020 and 2021 from CCIIO External Data Gathering Environment (EDGE) Summary Risk Adjustment data (2020-2021).

^{xxviii} Alaska began operating its reinsurance program in 2017, prior to the first year of its approved section 1332 state-based reinsurance waiver.

^{xxix} Percent changes in enrollment are for 2016 to 2017, 2017 to 2018, 2018 to 2019, 2019 to 2020, and 2020 to 2021.

State	First Year of Operation Under a Waiver	Individual Market Enrollment	2016 Individual Market Average Monthly Enrollment	2017 Individual Market Average Monthly Enrollment	2018 Individual Market Average Monthly Enrollment	2019 Individual Market Average Monthly Enrollment	2020 Individual Market Average Monthly Enrollment	2021 Individual Market Average Monthly Enrollment
Maryland	2019	Total	255,560	227,207	193,227	191,824	212,311	222,051
		<i>Percent Change</i>		-11%	-15%	-1%	11%	5%
		Subsidized	95,084	98,261	110,632	114,189	122,196	124,222
		<i>Percent Change</i>		3%	13%	3%	7%	2%
		Unsubsidized	160,476	128,946	82,595	77,635	90,116	97,830
		<i>Percent Change</i>		-20%	-36%	-6%	16%	9%
New Jersey	2019	Total	336,605	342,903	312,923	303,808	310,673	357,152
		<i>Percent Change</i>		2%	-9%	-3%	2%	15%
		Subsidized	186,444	185,258	178,312	162,892	167,203	219,802
		<i>Percent Change</i>		-1%	-4%	-9%	3%	31%
		Unsubsidized	150,161	157,645	134,611	140,916	143,470	137,350
		<i>Percent Change</i>		5%	-15%	5%	2%	-4%
Wisconsin	2019	Total	246,712	229,302	206,934	197,421	195,886	200,670
		<i>Percent Change</i>		-7%	-10%	-5%	-1%	2%
		Subsidized	174,641	166,310	164,999	157,413	153,445	156,509
		<i>Percent Change</i>		-5%	-1%	-5%	-3%	2%
		Unsubsidized	72,071	62,992	41,935	40,008	42,441	44,191
		<i>Percent Change</i>		-13%	-33%	-5%	6%	4%
Colorado	2020	Total	273,565	244,266	203,829	197,384	217,670	231,477
		<i>Percent Change</i>		-11%	-17%	-3%	10%	6%
		Subsidized	85,334	91,335	100,869	111,758	114,103	116,813
		<i>Percent Change</i>		7%	10%	11%	2%	2%
		Unsubsidized	188,231	152,930	102,960	85,627	103,567	114,664
		<i>Percent Change</i>		-19%	-33%	-17%	21%	11%
Delaware	2020	Total	34,599	28,817	23,509	22,847	25,942	28,951
		<i>Percent Change</i>		-17%	-18%	-3%	14%	12%
		Subsidized	19,330	18,028	17,032	17,276	18,984	21,316
		<i>Percent Change</i>		-7%	-6%	1%	10%	12%
		Unsubsidized	15,268	10,789	6,477	5,571	6,958	7,635
		<i>Percent Change</i>		-29%	-40%	-14%	25%	10%
Montana	2020	Total	75,601	60,724	53,301	49,772	50,265	53,034
		<i>Percent Change</i>		-20%	-12%	-7%	1%	6%
		Subsidized	39,605	38,625	35,760	34,241	33,947	35,879
		<i>Percent Change</i>		-2%	-7%	-4%	-1%	6%
		Unsubsidized	35,995	22,099	17,542	15,531	16,318	17,155
		<i>Percent Change</i>		-39%	-21%	-11%	5%	5%
North Dakota	2020	Total	42,329	41,619	39,553	37,613	37,363	41,113
		<i>Percent Change</i>		-2%	-5%	-5%	-1%	10%
		Subsidized	16,012	16,399	16,893	17,224	17,003	20,422
		<i>Percent Change</i>		2%	3%	2%	-1%	20%
		Unsubsidized	26,318	25,221	22,660	20,388	20,360	20,691
		<i>Percent Change</i>		-4%	-10%	-10%	0%	2%

State	First Year of Operation Under a Waiver	Individual Market Enrollment	2016 Individual Market Average Monthly Enrollment	2017 Individual Market Average Monthly Enrollment	2018 Individual Market Average Monthly Enrollment	2019 Individual Market Average Monthly Enrollment	2020 Individual Market Average Monthly Enrollment	2021 Individual Market Average Monthly Enrollment
Rhode Island	2020	Total	45,622	43,032	44,285	44,264	44,006	42,471
		<i>Percent Change</i>		-6%	3%	0%	-1%	-3%
		Subsidized	27,652	23,376	26,394	27,027	26,611	25,993
		<i>Percent Change</i>		-15%	13%	2%	-2%	-2%
		Unsubsidized	17,970	19,657	17,892	17,237	17,396	16,478
		<i>Percent Change</i>		9%	-9%	-4%	1%	-5%
Pennsylvania	2021	Total	571,751	494,092	456,147	411,729	395,407	419,801
		<i>Percent Change</i>		-14%	-8%	-10%	-4%	6%
		Subsidized	286,907	289,737	299,649	266,152	250,848	281,553
		<i>Percent Change</i>		1%	3%	-11%	-6%	12%
		Unsubsidized	284,844	204,355	156,498	145,577	144,559	138,249
		<i>Percent Change</i>		-28%	-23%	-7%	-1%	-4%
New Hampshire	2021	Total	96,118	96,939	84,800	44,807	47,185	53,513
		<i>Percent Change</i>		1%	-13%	-47%	5%	13%
		Subsidized	30,451	27,844	30,065	28,665	28,847	30,160
		<i>Percent Change</i>		-9%	8%	-5%	1%	5%
		Unsubsidized	65,667	69,095	54,735	16,142	18,339	23,353
		<i>Percent Change</i>		5%	-21%	-71%	14%	27%
Total U.S. ^{xxx}		Total	14,517,542	13,018,351	12,128,447	11,718,848	12,340,233	13,735,078
		<i>Percent Change</i>		-10%	-7%	-3%	5%	11%
		Subsidized	8,248,839	8,025,959	8,356,247	8,272,321	8,729,299	10,156,332
		<i>Percent Change</i>		-3%	+4%	-1%	6%	16%
		Unsubsidized	6,268,703	4,992,392	3,772,200	3,446,527	3,610,934	3,578,746
		<i>Percent Change</i>		-20%	-24%	-9%	5%	-1%

^{xxx} Total U.S. enrollment excludes data on plans from Massachusetts and Vermont, because both states had merged individual and small group markets during PYs 2018 through 2021.

TABLE 1 ENDNOTES:
**Legislation Authorizing State Funding Sources for States
with Section 1332 State-Based Reinsurance Waivers**

Alaska

¹ SB 165 was signed into law on June 29, 2018 (Chapter 46 SLA 18). Available online at <http://www.akleg.gov/basis/Bill/Detail/30?Root=SB%20165>

Minnesota

² HF No. 5 was signed into law on April 3, 2017. Available online at https://www.revisor.mn.gov/bills/text.php?number=HF5&version=0&session=ls90&session_year=2017&session_number=0&type=ccr&format=pdf

³ SF 3472 was signed into law on April 1, 2022. Available online at <https://www.revisor.mn.gov/bills/text.php?number=SF3472&type=ccr&session=ls92&version=0>.

Oregon

⁴ HB 2391 was signed into law on July 5, 2017. Available online at <https://olis.oregonlegislature.gov/liz/2017R1/Downloads/MeasureDocument/HB2391>

⁵ Oregon Revised Statutes, 743B.800 (2019). Available online at https://www.oregonlegislature.gov/bills_laws/ors/ors743b.html

⁶ HB 2010 was signed into law on March 13, 2019. Available online at <https://olis.oregonlegislature.gov/liz/2019R1/Downloads/MeasureDocument/HB2010/Enrolled>

Maine

⁷ SP 221 LD 659 was signed into law on June 2, 2017. Available online at <https://legislature.maine.gov/legis/bills/getPDF.asp?paper=SP0221&item=3&num=128>

Maryland

⁸ SB 387 was signed into law on April 10, 2018. Available online at https://www.marylandhbe.com/wp-content/uploads/2018/04/Ch_38_sb0387E.pdf

⁹ HB 258 was signed into law on May 25, 2019. Available online at http://mgaleg.maryland.gov/2019RS/Chapters/noln/CH_597_hb0258t.pdf

New Jersey

¹⁰ A3380 was signed into law on May 30, 2018. Available online at https://www.njleg.state.nj.us/2018/Bills/A3500/3380_R1.PDF

Wisconsin

¹¹ 2017 Wisconsin Act 138 was signed into law on February 27, 2018. Available online at <https://docs.legis.wisconsin.gov/2017/related/acts/138>

Colorado

¹² SB20-215 was signed into law on June 30, 2020. Available online at https://leg.colorado.gov/sites/default/files/2020a_215_signed.pdf

Delaware

¹³ HB 193 was signed into law on June 20, 2019. Available online at <http://legis.delaware.gov/BillDetail/47632>

Montana

¹⁴ SB 125 was signed into law on April 30, 2019. Available online at <https://leg.mt.gov/bills/2019/BillPdf/SB0125.pdf>

North Dakota

¹⁵ HB 1106 was signed into law on April 18, 2019. Available online at <https://www.legis.nd.gov/assembly/66-2019/documents/19-8068-05000.pdf>

Rhode Island

¹⁶ S 2934 was signed into law on July 3, 2018. Available online at <http://webserver.rilin.state.ri.us/BillText/BillText18/SenateText18/S2934A.pdf>

¹⁷ H 8351 was signed into law on July 3, 2018. Available online at <http://webserver.rilin.state.ri.us/BillText/BillText18/HouseText18/H8351.pdf>

Pennsylvania

¹⁸ Act 42 was signed into law on July 2, 2019. Available online at <https://www.insurance.pa.gov/Documents/Act%2042%20Codified.pdf>

New Hampshire

¹⁹ HB 4 (Chaptered Law 346 of 2019) was signed into law on October 2, 2019. Available online at http://gencourt.state.nh.us/bill_status/billText.aspx?id=1336&txtFormat=html&sy=2019

²⁰ RSA 404-G:3. Available online at <http://www.gencourt.state.nh.us/rsa/html/xxxvii/404-g/404-g-mrg.htm>

Georgia

²¹ HB 911 was signed into law on May 12, 2022. Available online at <https://www.legis.ga.gov/legislation/61136>