

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



June 3, 2022

VIA ELECTRONIC MAIL: grace.arnold@state.mn.us

Grace Arnold
Commissioner
Minnesota Department of Commerce
85 7th Place East, Suite 280
Saint Paul, MN 55101

Dear Commissioner Arnold:

Thank you for your submission on May 12, 2022 of Minnesota's updated waiver extension application for a State Innovation Waiver under section 1332 of the Affordable Care Act (ACA). I am pleased to send this letter from the Center for Consumer Information and Insurance Oversight (CCIIO) within the Centers for Medicare & Medicaid Services (CMS) under the Department of Health and Human Services (HHS), as well as on behalf of the Department of the Treasury (collectively, the Departments).

Minnesota's currently approved waiver of the ACA requirement for the single risk pool contained in ACA section 1312(c)(1),¹ allows the state to implement a state-based reinsurance program called the Minnesota Premium Security Plan for the individual health insurance market from January 1, 2018 through December 31, 2022.² Minnesota's waiver extension request seeks to waive ACA section 1312(c)(1) and continue implementation of its state-based reinsurance program for an additional five years, for plan years 2023 through 2027. Minnesota is not otherwise seeking to make changes to its section 1332 state-based reinsurance program.

Consistent with 31 C.F.R. § 33.132 and 45 C.F.R. § 155.1332, the processes and procedures for extension requests recently finalized in rulemaking,³ and the next steps outlined in the Departments' January 13, 2022 letter responding to Minnesota's waiver extension Letter of Intent,⁴ the Departments have conducted a preliminary review of the updated waiver extension application, and have made a preliminary determination that Minnesota's updated waiver extension application is complete.

¹ Minnesota's currently approved waiver waives the individual market single risk pool requirement to the extent it would otherwise require excluding total expected state reinsurance payments when establishing the market-wide index rate.

² <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/Minnesota-Section-1332-Waiver.pdf>

³ See Patient Protection and Affordable Care Act; Updating Payment Parameters and Improving Health Insurance Markets for 2022 and Beyond; Final Rule, 86 FR 53412 at 53483 – 53486 (Sept. 27, 2021).

⁴ <https://www.cms.gov/files/document/1332-mn-loi-extension-response-letter11322.pdf>

As provided in the January 13, 2022 letter, and similar to the Federal public notice and approval process for new section 1332 waiver applications outlined in 45 C.F.R. § 155.1308(d) and 31 C.F.R. § 33.108(d), the date of this letter marks the beginning of the 30-day Federal public notice and comment process and 90-day Federal decision-making period. Public comments on Minnesota's waiver extension application will be accepted by the Departments from June 3, 2022 through July 3, 2022, and more information about the Federal public notice and comment process and section 1332 waivers generally can be found on the CCIIO website.⁵ The decision of the Departments regarding approval or denial of Minnesota's waiver extension application will be issued within 90 days of this preliminary determination of completeness in accordance with section 1332(e) of the ACA.

We look forward to working with you on your waiver extension application and will be in touch if we need additional information. Please do not hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Ellen Montz". The signature is written in a cursive style with a large, sweeping flourish at the end.

Ellen Montz, Ph.D.

Director, Center for Consumer Information & Insurance Oversight
Deputy Administrator, Centers for Medicare & Medicaid Services

Cc: Lily Batchelder, Assistant Secretary for Tax Policy, U.S. Department of the Treasury
The Honorable Tim Walz, Governor, State of Minnesota
Julia Dreier, Deputy Commissioner, Minnesota Department of Commerce
Peter Brickwedde, Assistant Commissioner of Government and External Affairs, Minnesota
Department of Commerce

⁵ https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_state_Innovation_Waivers-.html