



STATE OF MAINE
DEPARTMENT OF PROFESSIONAL & FINANCIAL
REGULATION
BUREAU OF INSURANCE



Janet T. Mills
Governor

Anne L. Head
DPFR Commissioner

Timothy N. Schott
Acting Superintendent

June 21, 2022

Ellen Montz, Ph.D.
Deputy Director and Administrator
DEPARTMENT OF HEALTH & HUMAN SERVICES
Center for Consumer Information and Insurance Oversight
Centers for Medicare & Medicaid Services
200 Independence Avenue SW
Washington, DC 20201

Dear Deputy Director Montz:

This letter follows up on our June 14, 2022 conversation with Lina Rashid and her colleagues. They asked that we provide information concerning Maine's proposed pooled individual and small group health insurance market as part of the state's section 1332 waiver amendment submitted on February 10, 2023, with an addendum submitted on March 23, 2022.

Maine proposes a variation of the merged market from the federal definition of a merged market in Section 1312(c)3 that meets the needs of Maine's individual and small group markets. Maine's waiver amendment request seeks to waive ACA section 1312(c) to the extent necessary to allow an extension of its state-based reinsurance program, the MGARA, to a pooled individual and small group market for plan years 2023 through 2027. As such, the pooled market would be effective January 1, 2023 as outlined in our February 10, 2022 application for waiver of § 1332 of the Patient Protection and Affordable Care Act (Affordable Care Act). As proposed, Maine's version of a pooled market includes a shared risk pool that is the hallmark of a typical pooled market and retains some characteristics typical of a market that is not pooled. Maine's pooled market will feature the following enrollment and rating practices:

- Individual enrollees will enroll and renew in health plans on a calendar-year basis.
- Small employers will enroll and renew in health plans on a rolling basis throughout the year.
- Issuers must set premium rates each year using the combined experience of individual and small group enrollees. These rates apply to all individual plans issued or renewed during that calendar year, and to all small group plans issued or renewed during the first quarter.
- Issuers may adjust premium rates on a quarterly basis for all small groups purchasing or renewing coverage during the second, third, and fourth quarters of the year. Issuers may not adjust individual premium rates at any time during the year.
- All individual plans are effective from the date of enrollment until January 1 of the next calendar year.

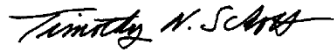
Office Location: 76 Northern Avenue, Gardiner, Maine 04345
Mailing Address: 34 State House Station, Augusta, Maine 04333
www.maine.gov/insurance

- All small group plans are effective from the date of enrollment for a 12-month period, with no change in premium after the effective date of the plan.

Maine's proposed pooled market might not fully align with the characteristics of a federally-designated merged market as described in current federal regulations and as such Maine is waiving section 1312(c)3 of the ACA and any other provisions necessary to permit issuers to continue applying quarterly rate adjustments for small group coverage that is not issued on a calendar-year basis. However, the Maine proposal will satisfy the ACA risk pool and enrollment requirements and provide a level of consumer protection equivalent to those requirements. We have engaged in stakeholder feedback during our public comment process prior to submission of the state's section 1332 waiver from representatives of consumer, employer, issuer, and broker interests.

Thank you for considering Maine's pooled market proposal. We are happy to answer any further questions you or your staff have and look forward to your approval of Maine's application at your earliest convenience.

Sincerely,



Timothy N. Schott
Acting Superintendent
Maine Bureau of Insurance

