

Virginia State Innovation Waiver  
 Summary of Comments  
 May 2022

Commenter	Summary of Comment	Departments' Response
<p>The American Cancer Society Cancer Action Network (ACS CAN)</p>	<p>ACS CAN supports approval of Virginia's waiver application. A well-designed reinsurance program can help to lower premiums, mitigate plan risk associated with high-cost enrollees, and maintain or increase plan competition. The estimated premium savings resulting from the proposed reinsurance program could help cancer patients and survivors afford health insurance coverage and may allow some individuals to enroll who previously could not afford coverage. Uninsured individuals are less likely to get screened for cancer and are therefore more likely to have their cancer diagnosed at an advanced stage when survival is less likely and the cost of care more expensive. ACS CAN also notes that a reinsurance program may encourage carriers to enter the market, providing greater stability and more coverage options for people with cancer and cancer survivors.</p> <p>ACS CAN is pleased the waiver would not impact the comprehensiveness of coverage in Virginia or impact consumer protections that are crucial for people with cancer and cancer survivors, like the prohibition on pre-existing condition exclusions, the prohibition on lifetime or annual limits, and EHB requirements.</p>	<p>We appreciate the support and have approved the waiver.</p>
<p>Joint letter from Advocacy Groups (American Heart Association, American Lung Association, Arthritis Foundation, Cystic Fibrosis Foundation, Hemophilia Federation of America, The Leukemia</p>	<p>The advocacy groups support approval of Virginia's waiver application. A strong, robust marketplace is essential for individuals with serious, acute, and chronic health conditions to access comprehensive coverage. Virginia's reinsurance program is an important tool to stabilize the marketplace and help issuers cover high-cost claims, which keeps premiums affordable and prevents them from rising. Virginia's reinsurance program will help people with pre-existing conditions obtain</p>	<p>We appreciate the support and have approved the waiver.</p>

<p>&amp; Lymphoma Society, National Hemophilia Foundation, National Multiple Sclerosis Society, National Organization for Rare Disorders, National Patient Advocate Foundation, and Susan G. Komen)</p>	<p>affordable and comprehensive coverage, thereby increasing health affordability and equity for Virginians while strengthening the state’s overall health insurance market. without compromising access to essential health benefits or jeopardizing other important protections.</p>	
<p>Kaiser Permanente</p>	<p>Kaiser supports Virginia’s intention to stabilize its individual market, reduce rates, increase enrollment, and improve morbidity in the individual market risk pool. Kaiser is concerned that Virginia’s waiver does not address the potential interaction between the proposed reinsurance program and the federal Risk Adjustment program, as required by the state’s enabling legislation. Kaiser suggests the state should ensure that the programs do not duplicate payments for the same high-risk membership as failure to address this issue could lead to pricing inefficiencies and market distortions, resulting in a less competitive market. Kaiser recommends that the Departments require additional actuarial analysis to assess the overlap between the two programs, review updated payment methodologies to address the overlap, and incorporate a resolution into the terms and conditions of the approved waiver. Kaiser noted policy options employed by other states to account for the overlap between their reinsurance programs and the risk adjustment program, including Maryland’s inclusion of a “dampening factor”—a coefficient that modifies payments under the state’s reinsurance program.</p>	<p>We appreciate your attention to this matter.</p> <p>Since the time of waiver submission, Virginia enacted legislation (<a href="#">HB 842</a>) on April 4, 2022, which removed the requirement to account for the federal risk adjustment program from its enabling legislation.</p> <p>Nevertheless, based on the specific language in the original Virginia reinsurance law and to address the overlap of the two programs, the state noted that the Commission was required to adjust state reinsurance payments to account for federal risk adjustment payments made on behalf of specific individuals based on their incurred claims cost. While there are several elements of the federal risk adjustment program, to address comments, Virginia proposed a reinsurance cap of \$155,000, which is below the federal payments for the high-cost risk pool which reimbursed a portion of claims over \$1 million.</p> <p>States have the flexibility to determine their program parameters when designing their state reinsurance</p>

		<p>programs. The Departments do not require the inclusion of a factor to account for overlap with the federal risk adjustment program.</p> <p>While Maryland opted to add a risk adjustment dampening factor to their reinsurance program, this factor was not necessary for the state's section 1332 waiver application to comply with the statutory guardrails.</p> <p>Please see the Virginia response to Federal questions included in their section 1332 waiver application.</p>
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