

Section 1332 of the Patient Protection and Affordable Care Act (ACA) 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 (STCs), 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: Rhode Island

A. GRANTEE INFORMATION		
1. Reporting Period End Date 12/31/2023	2. Report Due Date 03/30/2024	3. Report Submitted On (Date) 3/29/2024
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency SIWIW200010	6a. UEI Number US58NSDEBY75	6b. EIN 056000522
7. Recipient Organization Name Executive Office of State of Rhode Island		
Address Line 1 82 Smith St, Ste 217		
Address Line 2 		
Address Line 3 		
City Providence	State RI	ZIP Code 02903
ZIP Extension 1170	8. Grant Period Start Date 01/01/2020	9. Grant Period End Date 12/31/2024
10. Other Attachments (attach other documents as needed or as instructed by the awarding federal agency) 1332 Waiver Post Award Forum Presentation; RI Reinsurance 2024 Parameters Report; RI Benefit Year 2022 Payment Report		

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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

Allison Shippee

11b. Signature of Authorized Certifying Official

Allison Shippee

Digitally signed by Allison Shippee

Date: 2024.03.29 16:21:40 -04'00'

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

401-447-8953

11d. Email address

allison.shippee@exchange.ri.gov

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

03/29/2024

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.

2023 was Rhode Island's fourth year participating in the 1332 reinsurance waiver program. Over the course of 2023, HSRI continued to successfully work with issuers, state partners at the Office of the Health Insurance Commissioner, and Wakely Consulting (RI's actuarial vendor) to implement the waiver. Activities for 2023 included:

1. Completing reinsurance payments to carriers for 2022 claims. Activities included gathering and analyzing final claims data submitted by the carriers, determining final state funding levels, and transferring payments to carriers. (Carrier payments were received January 2024.)
2. Conducting the Annual Post-Award Forum in-person and online via Zoom on December 27, 2023.
3. Developing the Rhode Island Pass Through Report for plan year 2024 with carriers and Wakely Actuarial.

13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails and plans for and results of associated corrective actions. If challenges were described in a prior annual report, only report on changes and/or updates, as appropriate.

For 2023, there were not any implementation and/or operational challenges in meeting the 1332 statutory guardrails.

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D. PROGRESS OF SECTION 1332 WAIVER – <u>State-Specific</u>		
14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1). Please report data for the full plan year unless otherwise specified; if information for the full plan year is not available, please provide the most complete responses possible and specify the timeframe covered.		
	Value	Comments (if applicable)
a. Projected and actual individual market enrollment (total annual member months) on the Exchange in the state for the plan year.	Projected: 405,336 member months. Actual: 357,168 member months.	Projected metrics were compiled in early 2022 and assumed enhanced APTCs would expire in 2022 and PHE would end in July 2022. (based on Reinsurance Parameter setting for 2023)
b. Projected and actual individual market enrollment (total annual member months) off the Exchange in the state for the plan year.	Projected: 122,472 member months. Actual: 115,224 member months.	Projected metrics were compiled in early 2022 and assumed enhanced APTCs would expire in 2022 and PHE would end in July 2022. (based on Reinsurance Parameter setting for 2023)
c. Projected and actual individual market total annual collected premiums on the Exchange for the plan year. Projected and actual individual market average premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected: see comment. Actual: \$186,134,663 Projected: see comment. Actual: \$518.24	RI doesn't have 2023 projections split by "on" and "off" exchange. We can provide totals for the individual market, as were projected in March 2022 (Reinsurance Parameter setting for 2023)-- Total Projected Non-Group Premium for 2023: \$293,502,520 Projected Avg Non-Group Premium PMPM for 2023: \$556.08
d. Projected and actual individual market total annual collected premiums off the Exchange for the plan year. Projected and actual individual market average premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected: see comment. Actual: \$65,002,044 Projected: see comment. Actual: \$564.14	RI doesn't have 2023 projections split by "on" and "off" exchange. We can provide totals for the individual market, as were projected in March 2022 (Reinsurance Parameter setting for 2023)-- Total Projected Non-Group Premium for 2023: \$293,502,520 Projected Avg Non-Group Premium PMPM for 2023: \$556.08
e. 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 for the plan year.	\$295.58	RI has only one rating area
f. 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 for the plan year.	\$312.69	RI has only one rating area

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g. <i>For states with State-based Exchanges:</i> actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year.	\$128,169,151	RI has only one rating area
h. <i>For states with State-based Exchanges:</i> 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.	25,092	Avg APTC Enrollment 2023

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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. There was no impact of the waiver on the scope of benefits or Essential Health Benefits (EHB) benchmark.		
16. Describe any technical changes to the state's waiver plan during the plan year, including but not limited to: changes to the funding level the program will be operating at for the next plan year; changes to the approved payment parameters for reinsurance program reimbursement (if there were no changes, please still describe the final parameters); changes to eligibility criteria for enrollees' claims to be reimbursed under the reinsurance program. N/A		
17. Describe any changes in state law or regulation that might impact the waiver and the date(s) these changes occurred or are expected to occur. N/A		
18. Report on spending for the plan year. If information for the full plan year is not available, please provide the most complete responses possible and specify the timeframe covered.		
	Value	Comments (if applicable)
a. Amount of federal pass-through funding spent on individual claim payments to issuers from the reinsurance program for the plan year.	\$9,733,677	For PY 2022 Reinsurance Payments
b. Amount of federal pass-through funding spent on operation of the reinsurance program (e.g., administrative costs, EDGE server fees, etc.) for the plan year.	n/a	\$499,740 of state funding spent on operation of the reinsurance program.
c. Amount of any unspent balance of federal pass-through funding for the plan year.	\$10,758,473	This is the awarded amount for 2023 plan year which will be paid to carriers in late 2024.
d. Amount of state funding contributed to fully fund the program for the plan year.	\$5,677,154	Amount for PY 2022 Reinsurance Payments. This represents state revenue from the state's funding source as the calculation of reinsurance payments, inclusive of \$499,740 in administrative costs.

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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.

n/a

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

Rhode Island's reinsurance program incorporates a low cap (\$65,000 in 2022, and \$61,500 in 2023) and a low target coinsurance rate (40% in 2022 and 2023) in part to ensure that carriers will continue to have a strong financial incentive to control cost. In the future, if there's reason to believe that carriers are not adequately managing costs for care and utilization, Rhode Island will consider taking further steps to ensure they do so.

21. If applicable, report 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.	n/a	
b. Risk adjustment amount paid by HHS for those claims.	n/a	
c. Reinsurance reconciliation (or true-up) amount applied.	n/a	

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 and where the Annual Report is posted. In addition, please ensure prior years' Annual Reports are posted on the state's website.

The post-award forum was advertised on the Secretary of State for RI's website:

<https://opengov.sos.ri.gov/Common/DownloadMeetingFiles?FilePath=\\Notices\\6553\\2023\\477107.pdf>

And additional information including our annual reports can be found here: <https://healthsourceri.com/1332waiver/>

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24. Date Post-Award Forum took place:

December 27, 2023

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

The 2023 Post-Award Forum took place at One Capitol Hill, 3rd Floor, Providence, RI 02903 at HSRI's office. There was also an option to attend virtually via Zoom. Katie Hall, Director of Policy & Applied Research at HealthSource RI called the meeting to order and the attached presentation was presented. Ms. Hall opened the meeting for public comments and questions.

• Q1: Does RI hire a reinsurance firm as a backstop for the program?

• HSRI answer: No, our reinsurance program is funded through state funding and federal pass-through savings, so we do not employ a reinsurance firm.

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

1332 Post Award Forum Presentation

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.

2024 Parameter Setting - RI retained Wakely Consulting Group as our actuarial vendor to analyze the potential effects of a state-based reinsurance program on the individual Affordable Care Act (ACA) market and support the development of the 2024 reinsurance parameters. Parameter setting included analysis of enrollment, claims and premium data collected from issuers and HSRI. Carriers and the Office of Health Insurance Commissioner were included in the review process to confirm assumptions and methodology used by Wakely for parameter setting. Wakely provided a final report outlining assumptions and methodology (attached).

Post Award Forum - RI held a post award forum on December 27, 2023 as an opportunity for community partners and the public to learn about and comment on RI's 1332 Waiver. The meeting was held in-person at HSRI's office and virtually via Zoom. The meeting notice was posted on the Secretary of State's website, HSRI's website, and sent out to relevant stakeholder groups via email newsletter. Closed captioning and other accommodations such as auxiliary aids were also available upon request. The forum had one attendee other than HSRI employees. Public questions and HSRI answers can be found above.

2024 Pass Through Report - RI retained Wakely Consulting Group to analyze the effects of a state-based reinsurance program on the 2024 individual Affordable Care Act (ACA) market. Wakely was asked to estimate the effect of the 1332 reinsurance waiver on total premiums in the ACA individual market and impact to the Second Lowest Cost Silver Plan. Carriers and the Office of Health Insurance Commissioner were included in the review process to confirm assumptions and methodology used by Wakely. Wakely provided a final report outlining assumptions and methodology (attached)