

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 12/31/2024	2. Report Due Date 3/31/2025	3. Report Submitted On (Date) 3/31/2025
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 Rhode Island	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 2025 Parameters Report; RI Benefit Year 2023 Payment Report		

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B. REPORT CERTIFICATION
<p>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.</p>
<p>11a. Typed or printed name and title of Authorized Certifying Official Allison Shippee</p>
<p>11b. Signature of Authorized Certifying Official Allison Shippee <small>Digitally signed by Allison Shippee Date: 2025.08.06 09:37:49 -04'00'</small></p>
<p>11c. Telephone (area code, number, and extension) 401-447-8953</p>
<p>11d. Email address allison.shippee@exchange.ri.gov</p>
<p>11e. Date report submitted (month/day/year) 3/31/2025</p>
C. PROGRESS OF SECTION 1332 WAIVER – <u>General</u>
<p>12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.</p> <p>2024 was Rhode Island's fifth year participating in the 1332 reinsurance waiver program. Over the course of 2024, 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 2024 included:</p> <ol style="list-style-type: none"> 1. Completing reinsurance payments to carriers for 2023 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 December 2024.) 2. Conducting the Annual Post-Award Forum in-person and online via Zoom on June 7th, 2024. 3. Developing the Rhode Island Pass Through Report for plan year 2025 with carriers and Wakely Actuarial. 4. Successfully renewed waiver.
<p>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.</p> <p>For 2024, there were not any implementation and/or operational challenges in meeting the 1332 statutory guardrails.</p>

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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: 440,088 Actual: 491,150	
b. Projected and actual individual market enrollment (total annual member months) off the Exchange in the state for the plan year.	Projected: 110,324 Actual: 111,768	
c. Projected and actual individual market total annual collected premiums on the Exchange for the plan year (i.e., total premiums collected by insurers, including any portion paid by APTC).	Projected: See comment. Actual: \$258,885,796	Total Projected Non-Group Premium for 2024: \$328,264,063. (From March 2023 Reinsurance Parameter setting for PY 2024). Includes both on and off exchange, as RI doesn't have 2024 projections "on" and "off" exchange.
d. Projected and actual average individual market 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: \$527.10	Projected Avg Non-Group Premium PMPM for 2024: \$596.40 (From March 2023 Reinsurance Parameter setting for PY 2024). Includes both on and off exchange, as RI doesn't have 2024 projections "on" and "off"
e. <i>To the extent available</i> , projected and actual individual market total annual collected premiums off the Exchange for the plan year.	Projected: See comment. Actual: \$73,433,584	Total Projected Non-Group Premium for 2024: \$328,264,063. (From March 2023 Reinsurance Parameter setting for PY 2024). Includes both on and off exchange, as RI doesn't have 2024 projections "on" and "off"
f. <i>To the extent available</i> , projected and actual average individual market 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: \$657.02	Projected Avg Non-Group Premium PMPM for 2024: \$596.40 (From March 2023 Reinsurance Parameter setting for PY 2024). Includes both on and off exchange, as RI doesn't have 2024 projections "on" and "off"
g. 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.	\$312.79	RI has only one rating area

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<p>h. 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.</p>	<p>\$327.31</p>	<p>RI has only one rating area</p>
<p>i. For states with State-based Exchanges: actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year.</p>	<p>\$187,142,361</p>	<p>RI has only one rating area</p>
<p>j. For states with State-based Exchanges: 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.</p>	<p>35,552</p>	<p>Avg APTC Enrollment 2024</p>

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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.

The final parameters for the 2024 reinsurance program included an attachment point of \$30,000 and a cap of \$59,000 with a coinsurance rate of 37%.

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.	\$10,758,473	For PY 2023 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	\$498,820 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.	N/A	
d. Amount of state funding contributed to fully fund the program for the plan year.	\$5,629,349	Amount for PY 2023 Reinsurance Payments. This represents state revenue from the state's funding source as the calculation of

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<p>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.</p> <p>N/A</p>		
<p>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.</p> <p>Rhode Island's reinsurance program incorporates a low cap (\$61,500 in 2023 and \$59,000 in 2024) and low target coinsurance rate (40% in 2023 and 37% in 2024) 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.</p>		
<p>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.</p>		
	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		
<p>22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?</p> <p><input checked="" type="radio"/> Yes</p> <p><input type="radio"/> No</p>		
<p>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.</p> <p>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\2024\492563.pdf And additional information including our annual reports can be found here: https://healthsourceri.com/1332waiver/</p>		

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24. Date Post-Award Forum took place: June 7th, 2024
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 post-award forum was held on June 7, 2024. There were no public attendees nor public comments received. The forum was both for the annual post-award forum, and to support the State's application for the continuation of the State's waiver.
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). <input checked="" type="radio"/> Yes <input type="radio"/> No
28. Describe the state's implementation review process. 2025 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 2025 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