

Section 1332 of the Patient Protection and Affordable Care Act (PPACA) 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 paragraph 10 of your specific terms and conditions (STC), 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:

A. GRANTEE INFORMATION		
1. Reporting Period End Date Dec 31, 2022	2. Report Due Date Mar 31, 2023	3. Report Submitted On (Date) Mar 31, 2023
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency SIWIW190007	6a. DUNS Number 8071980230000	6b. EIN 216000928
7. Recipient Organization Name New Jersey Department of Banking and Insurance		
Address Line 1 20 West State Street		
Address Line 2 PO Box 325		
Address Line 3		
City Trenton	State New Jersey	Zip Code 08625
Zip Extension 0325	8. Grant Period Start Date Jan 1, 2019	9. Grant Period End Date Dec 31, 2023
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)		
Second Lowest Cost Silver Plan Information Plan year 2022 APTC by county Post-Award Forum Powerpoint		

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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	Philip Gennace
11b. Signature of Authorized Certifying Official	
11c. Telephone (area code, number, and extension)	
11d. E-mail address	philip.gennace@dobi.nj.gov
11e. Date report submitted (month/day/year)	Mar 31, 2023
C. PROGRESS OF SECTION 1332 WAIVER - <u>General</u>	
12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.	
Plan Year 2019	
Reinsurance payments to carriers were completed by wire transfer on October 30, 2020. Payments, which included reinsurance-eligible run-out through September 30, 2020, and AUP adjustments, totaled \$267,724,523.38.	
Plan Year 2020	
Reinsurance payments to carriers were completed by wire transfer on November 1, 2021. Payments, which included reinsurance-eligible run-out through September 30, 2021, and AUP adjustments, totaled \$294,701,145.25.	
Plan Year 2021	
Reinsurance payments to carriers were completed by wire transfer on November 1, 2022. Payments, which included reinsurance-eligible run-out through September 30, 2022, and AUP adjustments, totaled \$376,341,444.60.	
Plan Year 2022	
As required by N.J.S.A. 17B:27A-10.4e of the Act, the Board collected reinsurance payment requests from individual market carriers on a quarterly basis. Carriers submitted reinsurance payment requests for 2022 with the requests totaling \$376,909,620.73 plus an additional conservative estimate of run-out of \$93,034,165.48. The requested reinsurance payments will be reviewed by an independent audit firm	

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using an agreed-upon procedures process before payments will be made by November 1, 2023.

An additional carrier began offering individual health benefits plans in plan year 2022. Federal and State subsidies have assisted consumers with affording insurance resulting in increased enrollment. The payment parameters for plan years 2021 and 2022 differed from plan years 2019 and 2020 with the current parameters using an Attachment point of \$35,000.00; Coinsurance of 50%; and a Reinsurance cap of \$245,000.00.

Annual Public Forum

The annual public forum was held on Thursday, November 10, 2022. Notice of the virtual forum, which was held as a Live Event through Microsoft Teams, was posted at least 30 days in advance at https://www.state.nj.us/dobi/division_insurance/section1332/index.html.

No action was taken as a result of the Forum.

A copy of the presentation is provided with the report.

13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails, and plans for and results of associated corrective actions. After the first year, only report on changes and/or updates, as appropriate.

None noted

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D. PROGRESS OF SECTION 1332 WAIVER - State-Specific		
14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1)		
	Value	Comments (if applicable)
a. Actual individual market enrollment on the Exchange in the state	302,134	enrollment measured at the end of 3Q22
Actual individual market enrollment off the Exchange in the state	80,267	enrollment measured at the end of 3Q22
b. Actual average individual market premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$619.00	Monthly premium
Actual average individual market premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$591.22	Monthly premium
c. 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	\$330.22 \$335.94 \$346.70	Varies by county; see attachment
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	\$392.83 \$404.82 \$409.42	Varies by county; see attachment
d. For states with State-based Exchanges , actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year	\$1,504,246,307	Single rating area; detail attached
e. 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.	257,375	Individuals receiving APTC, annualized over 2022

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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.

The waiver has had no impact on either the scope of benefits or the EHB benchmark.

16. Describe any changes to the state-operated reinsurance program, including changes to the funding level the program will be operating at for the next plan year, any changes to the approved payment parameters for reinsurance program reimbursement or changes to eligibility criteria for enrollees' claims to be reimbursed under the program.

There were no changes to the approved payment parameters or eligibility criteria moving from plan year 2019 into plan year 2020. For plan years 2021 and 2022 the payment parameters were as follows:

Attachment point: \$35,000.00

Coinsurance: 50%

Reinsurance cap: \$245,000.00

CMS determined that New Jersey's pass-through funding amount was \$180,201,687.00 for plan year 2019, \$190,004,396.00 for plan year 2020, \$282,051,806.00 for plan year 2021 and 3,222,987,495 for plan year 2022. The Department and Board understand that pass-through funding is subject to final administrative determination by the Department of the Treasury prior to payment.

The funding sources for the reinsurance program for plan years 2019, 2020, 2021 and 2022 are: pass-through funding, monies collected pursuant to P.L. 2018, c.31 which established a State shared responsibility tax, and appropriations from the General Fund.

17. Describe any changes in state law that might impact the waiver and the date(s) these change occurred or are expected to occur.

No information at this time

18. Report on spending:

	Value	Comments (if applicable)
a. Amount of Federal pass-through funding spent on individual claim payments to issuers from the reinsurance program	\$281,719,432.90	Balance used to fund the Agreed-upon procedures

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b. Amount of Federal pass-through funding spent on operation of the reinsurance program	\$332,373.10	Costs associated with agreed-upon procedures for Plan Year 2021
c. Amount of any unspent balance of Federal pass-through funding for the reporting year	\$0	To cover any outstanding 2021 administrative costs
d. Amount of state funding contribution to fully fund the program for the reporting year	\$94,622,011.70	
<p>19. If applicable, provide a claims breakout at an aggregate level for the top 5 conditions or cost drivers of the 5 conditions, including settings of care in the individual market.</p> <p>N/A The New Jersey reinsurance program is not a condition-based program.</p>		
<p>20. If applicable, report on any incentives for providers, enrollees, and plan issuers to continue managing health care cost and utilization for individuals eligible for reinsurance.</p> <p>N/A</p>		
<p>21. If applicable, report of 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	

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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

https://www.state.nj.us/dobi/division_insurance/section1332/index.html

24. Date Post-Award Forum took place

The virtual forum took place November 10, 2022

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

Annual Public Forum

The annual public forum was held on Thursday, November 10, 2022. Notice of the virtual forum, which was held as a Live Event through Microsoft Teams, was posted at least 30 days in advance at https://www.state.nj.us/dobi/division_insurance/section1332/index.html.

No members of the public attended. No action was taken as a result of the Forum.

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

Powerpoint Presentation prepared for the Post-Award forum

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.

Implementation review occurs on a weekly basis with the multiple elements evaluated and reported to the applicable operating areas and senior staff.

The review encompassed every phase of the implementation and included:

- 1) Pass-through funding determination
- 2) Collaboration with Treasury regarding the individual mandate and collection of the tax
- 3) Collection of quarterly and annual reports and summary reporting
- 4) Drafting of scope of work and awarding a contract for an audit firm (note the proposals, evaluation and selection occurred in 2020)
- 5) Weekly status calls with the audit firm during the course of the AUPs
- 6) Evaluation of payment parameters for the fourth plan year, 2022

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7) Discussion during open public meetings held by the Individual Health Coverage Program Board