

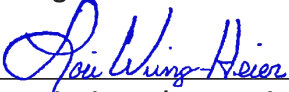
## Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers - Reinsurance Waiver Annual Report

**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:

<b>A. GRANTEE INFORMATION</b>		
<b>1. Reporting Period End Date</b> Dec 31, 2021	<b>2. Report Due Date</b> Aug 29, 2022	<b>3. Report Submitted On (Date)</b> Aug 29, 2022
<b>4. Federal Agency and Organization Element to Which Report is Submitted</b> Consumer Information & Insurance Oversight		
<b>5. Federal Grant Number Assigned by Federal Agency</b> SIWIW180004	<b>6a. DUNS Number</b> 809387467	<b>6b. EIN</b> 92-6001185
<b>7. Recipient Organization Name</b> Alaska Department of Commerce, Community and Economic Development		
<b>Address Line 1</b> Division of Insurance		
<b>Address Line 2</b> P.O. Box 110805		
<b>Address Line 3</b>		
<b>City</b> Juneau	<b>State</b> AK	<b>Zip Code</b> 99811
<b>Zip Extension</b> 0805	<b>8. Grant Period Start Date</b> Jan 1, 2018	<b>9. Grant Period End Date</b> Dec 31, 2022
<b>10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)</b>		

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<b>B. REPORT CERTIFICATION</b>	
<b>11. Certification:</b> 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.	
<b>11a. Typed or printed name and title of Authorized Certifying Official</b>	Lori Wing-Heier
<b>11b. Signature of Authorized Certifying Official</b>	
<b>11c. Telephone (area code, number, and extension)</b>	(907) 465-2515
<b>11d. E-mail address</b>	lori.wing-heier@alaska.gov
<b>11e. Date report submitted (month/day/year)</b>	August 29, 2022
<b>C. PROGRESS OF SECTION 1332 WAIVER - <u>General</u></b>	
<b>12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.</b>	
	<p>On February 25, 2021 the division received the pass-through funding estimate for 2021 in the amount of \$78,442,889. On April 21, 2021, this amount was confirmed as the final administrative determination from CMS and the Department of Treasury for calendar year 2021. The program was set at \$80 million for 2021.</p> <p>The division submitted Alaska's 1332 waiver annual report for 2020 timely on March 26, 2021.</p> <p>On March 22, 2021, Director Wing-Heier along with 13 other insurance commissioners in states with reinsurance programs requested that CMS and Treasury recalculate the 2021 pass through amounts on 1332 waivers due to the American Rescue Plan's substantial changes to the individual health insurance market premium tax credits in 2021.</p> <p>On March 25, 2021, the division sent a letter to Ms. Lina Rashid at CMS regarding Alaska's intent to apply for a five-year extension of the existing 1332 waiver without substantive changes to the program.</p> <p>The post-award public forum was held June 16, 2021. See item #25 of this report for more information.</p> <p>The division drafted a 2021 grant agreement with ACHIA, which was signed by both parties July 20, 2021.</p> <p>The division worked with CMS and RAND on Section 1332 Waiver Evaluation Report: Evaluating the</p>

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Alaska Reinsurance Program. This September 2021 report is published on the CCIIO 1332 website at: [https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section\\_1332\\_State\\_Innovation\\_Waivers-#Fact\\_Sheets](https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers-#Fact_Sheets).

In response to expanded ACA premium tax credits under the American Rescue Plan Act, CMS increased pass-through funding to Alaska by \$43.8 million. Alaska increased the reinsurance program to \$100 million for 2022, resulting in lower premiums than initially anticipated in the marketplace.

The division worked with Oliver Wyman to prepare Alaska's 1332 waiver reinsurance pass-through funding report for calendar year 2022. The report was submitted timely September 15, 2021. Due to changes to the funding amount described above, a revised report was submitted October 11, 2021.

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.

N/A

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<b>D. PROGRESS OF SECTION 1332 WAIVER - State-Specific</b>		
<b>14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1)</b>		
	<b>Value</b>	<b>Comments (if applicable)</b>
a. Actual individual market enrollment <b>on</b> the Exchange in the state	17,934	December 2021 enrollment. Note since Alaska is a FFE, CMS to have better data.
Actual individual market enrollment <b>off</b> the Exchange in the state	1,267	December 2021 enrollment
b. Actual average individual market premium rate <b>on</b> the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$697.28	
Actual average individual market premium rate <b>off</b> the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$634.88	
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	i. Area 1 \$516 Area 1 \$516 ii. Area 2 \$541 Area 2 \$543 iii. Area 3 \$529	Rating areas 1 and 2 are split into two areas due to marketing restrictions by one of the carriers.
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	i. Area 1 \$870 Area 1 \$870 ii. Area 2 \$912 Area 2 \$916 iii. Area 3 \$892	Rating areas 1 and 2 are split into two areas due to marketing restrictions by one of the carriers.
d. <b>For states with State-based Exchanges</b> , actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year	N/A	N/A
e. <b>For states with State-based Exchanges</b> , actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and	N/A	N/A

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	Value	Comments (if applicable)
divided by 12 to provide an annualized measure.		
<p><b>15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.</b></p> <p>The waiver impacts the cost of health care premiums, but does not impact the components of the EHB benchmark. The EHB benchmark plan is not modified in any way by the 1332 waiver.</p>		
<p><b>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.</b></p> <p>In response to expanded ACA premium tax credits under the American Rescue Plan Act, CMS increased pass-through funding to Alaska by \$43.8 million. Alaska increased the reinsurance program to \$100 million for 2022, resulting in lower premiums than initially anticipated in the marketplace.</p>		
<p><b>17. Describe any changes in state law that might impact the waiver and the date(s) these change occurred or are expected to occur.</b></p> <p>There were no changes to state law relevant to the program during calendar year 2021.</p>		
<b>18. Report on spending:</b>		
	Value	Comments (if applicable)
a. Amount of Federal pass-through funding spent on individual claim payments to issuers from the reinsurance program	\$80,000,000	
b. Amount of Federal pass-through funding spent on operation of the reinsurance program	\$0	
c. Amount of any unspent balance of Federal pass-through funding for the reporting year	\$42,270,217	

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d. Amount of state funding contribution to fully fund the program for the reporting year	0	The ARP is using \$582,933 in ceded premiums to fund the administrative cost of the program.
<p><b>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.</b></p> <p>For a claims breakout for the top 5 conditions, including settings of care, see attachment.</p>		
<p><b>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.</b></p> <p>Given that the program is capped, there is an inherent incentive for providers and plan issuers to treat enrollees as if they are not in the reinsurance pool in order to stay within the budget.</p>		
<p><b>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.</b></p>		
	<b>Value</b>	<b>Comments (if applicable)</b>
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	\$3,347,980.31	
b. Risk adjustment amount paid by HHS for those claims	\$3,347,980.31	
c. Reinsurance reconciliation (or true-up) amount applied	\$3,347,980.31	
<b>E. POST-AWARD FORUM</b>		
<p><b>22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?</b></p> <p><input checked="" type="radio"/> <b>Yes</b></p> <p><input type="radio"/> <b>No</b></p>		

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**23. State website address where Post-Award Forum was advertised**

<https://aws.state.ak.us/OnlinePublicNotices/>

**24. Date Post-Award Forum took place**

June 16, 2021

**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.**

On May 4, 2021, Alaska submitted a request for modification of normal post-award forum procedures during the public health emergency pursuant to 45 CFR § 155.1320(c)(2) to the Centers for Medicare and Medicaid Services to mitigate the potential risk associated with COVID-19 by holding the 2021 1332 waiver post-award public forum telephonically without an option for the public to attend in-person.

On June 3, 2021, the U.S. Department of Health and Human Services and the U.S. Department of the Treasury determined that Alaska’s proposed modified post-award forum procedures met the requirements set forth in 45 CFR § 155.1320(c)(2).

The forum was noticed on the division's website and via the State of Alaska's Online Public Notice system May 5, 2021: [https://www.commerce.alaska.gov/web/Portals/11/Pub/INS\\_1332.ForumNotice2021.pdf](https://www.commerce.alaska.gov/web/Portals/11/Pub/INS_1332.ForumNotice2021.pdf). Interested parties could submit comments in writing up to 5:00 pm Alaska Time Zone on June 16, 2021. No written comments were received. A supplemental notice was issued June 3 that persons with a disability who needed special accommodation to participate in the public meeting were encouraged to contact the division ahead of the meeting to arrange accommodation: [https://www.commerce.alaska.gov/web/Portals/11/Pub/INS\\_1332.ForumNotice2021\\_Supplement.pdf](https://www.commerce.alaska.gov/web/Portals/11/Pub/INS_1332.ForumNotice2021_Supplement.pdf). No such requests were received.

The forum was held June 16, 2021 9:00-10:00am Alaska Time Zone. In attendance from the division were Director Wing-Heier, Deputy Director Anna Latham, Sarah Bailey, Jackson Willard, Wally Thomas, and Alida Bus. Also attending were Cecil Bykerk and Debbie McCormick from the Alaska Comprehensive Health Insurance Association (ACHIA).

Deputy Director Anna Latham gave an overview of the program, including planned and actual annual costs to date, the five most costly diagnoses for 2020 and current issues facing the program, including from the American Rescue Plan and waiver extension. Then there was some back-and-forth discussion between the division and ACHIA staff as to potential changes to the program and some administrative/housekeeping business, including a forthcoming request for funding.

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

N/A

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## 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.**

**The division completed internal risk assessment matrices as well as incorporating language into its grant agreement with pass-through entity ACHIA.**