

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: Alaska

A. GRANTEE INFORMATION		
1. Reporting Period End Date December 31, 2024	2. Report Due Date March 31, 2025	3. Report Submitted On (Date) March 20, 2025
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency SIWIW180004	6a. UEI Number ZK94AJNLR84	6b. EIN 92-6001185
7. Recipient Organization Name Alaska Department of Commerce, Community and Economic Development		
Address Line 1 Division of Insurance		
Address Line 2 P.O. Box 110805		
Address Line 3		
City Juneau	State AK	ZIP Code 99811
ZIP Extension 0805	8. Grant Period Start Date April 23, 2018	9. Grant Period End Date December 31, 2027
10. Other Attachments (attach other documents as needed or as instructed by the awarding federal agency)		

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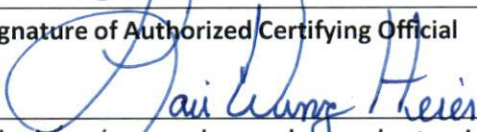
B. REPORT CERTIFICATION

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

Lori Wing-Heier, Director

11b. Signature of Authorized Certifying Official



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

907-465-2515

11d. Email address

lori.wing-heier@alaska.gov

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

March 20, 2025

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.

The Alaska Division of Insurance (Division) approved Quarters 1, 2, and 3 for 2023 funding requests on February 14, 2024. Quarter 4 was approved on March 18, 2024. The total funding for 2023 was \$120M.

In rate filing guidance for insurers, the Alaska Reinsurance Program (ARP) program was set at \$140 million for 2024.

On June 28, 2024, the Division held the post-award public forum. See item #25 of this report for more information.

On July 26, 2024, the Alaska Division of Insurance ("Division") received the pass-through award amount of \$110,138,024 from the Centers for Medicare and Medicaid Services ("CMS") and the Department of Treasury for calendar year 2024. The Division is utilizing \$30,334,109 in prior excess pass-through funding to complement the shortfall in the award. The Division informed CMS staff of the bankruptcy of Alaska Comprehensive Health Insurance Association's ("ACHIA") vendor, VHBA/BML/BMI in August 2024. ACHIA anticipates finalizing an agreement with a new vendor in the very near future.

ACHIA's claim auditor identified issues with Moda's claim files where cancelled claims were included on the file. This resulted in the need for a transfer of \$485,243.81 for CYs 2020-2022 from Moda to Premera. ACHIA has contracted with a market conduct firm to investigate the cause, in which the effort is ongoing.

The Division posted the 2023 Annual report to our website on August 15, 2024.

The Division provided documentation and support for ACHIA's consulting actuary, Oliver Wyman, to prepare Alaska's 1332 waiver reinsurance pass-through funding report for calendar year 2025. The report was submitted on October 15, 2024. Concurrence on the rates and rating areas/groups was provided on November 7, 2024.

The Division completed a 2024 Grant Agreement with ACHIA, which was signed by both parties on October 25, 2024.

The Division received corrected 2024 Q1, Q2, and Q3 funding requests on November 7, 2024. These payments were issued in December 2024. The Q4 funding request was received on February 7, 2025. The final payment has been sent for payment processing.

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.

To ensure consistent claims submission, the Alaska Reinsurance Program (ARP) aligned with the CMS Hierarchical Condition Categories (HCC) mapping to determine ARP eligibility starting for PY2024. On January 13, 2025, the 2024 benefit year Risk Adjustment Model was identified as the 2025 HCC mapping.

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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). 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: 294,136 Actual Member Months: 302,922	Since Alaska is an FFE, CMS will have better data.
b. Projected and actual individual market enrollment (total annual member months) off the Exchange in the state for the plan year.	Projected: 1,568 Actual Member Months: 3,373	
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: \$288,363,131 Actual: \$290,673,181 Projected: \$980.37 Actual: \$959.56	
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 \$1,536,869 Actual \$2,597,031 Projected: \$980.37 Actual: \$769.95	
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.	995: \$672 995 (2): \$778 996/997: \$706 996/997 (2): \$786 998/999: \$689	Rating areas 995 and 996/9967 are split into two areas due to marketing restrictions on one of the carriers. Currently excludes non-EHB premium
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.	995: \$951 995 (2): \$1,137 996/997: \$997 996/997(2): \$1,148 998/999: \$972	Rating areas 995 and 996/9967 are split into two areas due to marketing restrictions on one of the carriers. Currently excludes non-EHB premium

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g. For states with State-based Exchanges: actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year.	N/A	
h. 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.	N/A	

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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 does not impact the the Essential Health Benefits (EHB) benchmark; the waiver impacts the cost of health care premiums. The EHB benchmark plan is not modified in any way by the 1332 waiver.

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 Division of Insurance changed the funding level from \$120M in 2023 to \$140M in 2024. There was a operational change to adopt updated CMS HCC mapping. Claim eligibility for ARP in 2024 required meeting one of the 35 HCC.

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.

There were no changes to state law that impacted or are expected to impact ARP during calendar year 2024.

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.	\$140,000,000	
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.	\$472,133	
c. Amount of any unspent balance of federal pass-through funding for the plan year.	\$257,867	This is the amount below budget for the 2024 ACHIA Grant Agreement with the Alaska Department of Commerce, Community, and Economic Development.
d. Amount of state funding contributed to fully fund the program for the plan year.	\$0	

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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.

For a claims breakout for the top 5 conditions, including settings of care, see attachment.

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.

Given that the program funding is capped, there is an inherent incentive for plan issuers to treat enrollees as if they are not in the reinsurance pool in order to stay within the budget. There are no incentives for providers to control cost or utilization.

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.	TBD	Risk adjustment true-up not completed at time of report
b. Risk adjustment amount paid by HHS for those claims.	TBD	Risk adjustment true-up not completed at time of report
c. Reinsurance reconciliation (or true-up) amount applied.	TBD	Risk adjustment true-up not completed at time of report

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.

<http://notice.alaska.gov/215428>; <https://www.commerce.alaska.gov/web/ins/Section1332.aspx>

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24. Date Post-Award Forum took place:

June 28, 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 forum was noticed on the division's website and via the State of Alaska's Online Public Notice System on May 17, 2024. The forum was held June 28, 2024 from 11:00 AM to 12:00 PM Alaska Daylight Time.

Program Coordinator Jacob Lauten provided a summary of the Reinsurance program. Life & Health Supervisor Sarah Bailey, Chief Market Regulator Molly Nollette, and Regulations Specialist Lieann Amante were in attendance. The division received no verbal comments during the public meeting. One letter of support was received from Moda, one of the insurers participating in the Alaska reinsurance program.

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

Moda comment letter attached.

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 completes internal risk assessment matrices as well as incorporating language into its grant agreement with the pass-through entity ACHIA.