



# Idaho's 1332 Waiver Application for Reinsurance

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# About the Idaho Department of Insurance (DOI)

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# About the Idaho Department of Insurance (DOI)

- The Department of Insurance is a regulatory agency created to regulate the business of insurance in Idaho.
- The mission of the Department of Insurance is to serve and protect Idahoans by equitably, effectively and efficiently administering the Idaho Insurance Code and the International Fire Code.



# Welcome

## Plan for today

- Discuss Idaho's Section 1332 Waiver Application
- Review Idaho's High Risk Reinsurance Pool
- Next Steps
- Accept Comments



# What is a 1332 Waiver?

- Section 1332 Waivers allow a state greater **flexibility** in providing high quality, affordable health insurance coverage to their citizens by waiving one or more provisions of the Affordable Care Act.
- These waivers can be approved only if residents of the state will receive health care coverage that is at least as **comprehensive** and **affordable**, and if at least as many state residents will be **covered**, as without the waiver, and **doesn't** increase the federal deficit.



# Why is Idaho Applying?

- To reduce the premiums of individual health insurance through increased funding to Idaho's High Risk Reinsurance Pool.
- The Department of Insurance projects that, if the waiver is approved, premiums will be **at least 7% lower** than without the waiver, in 2023 and in future years.



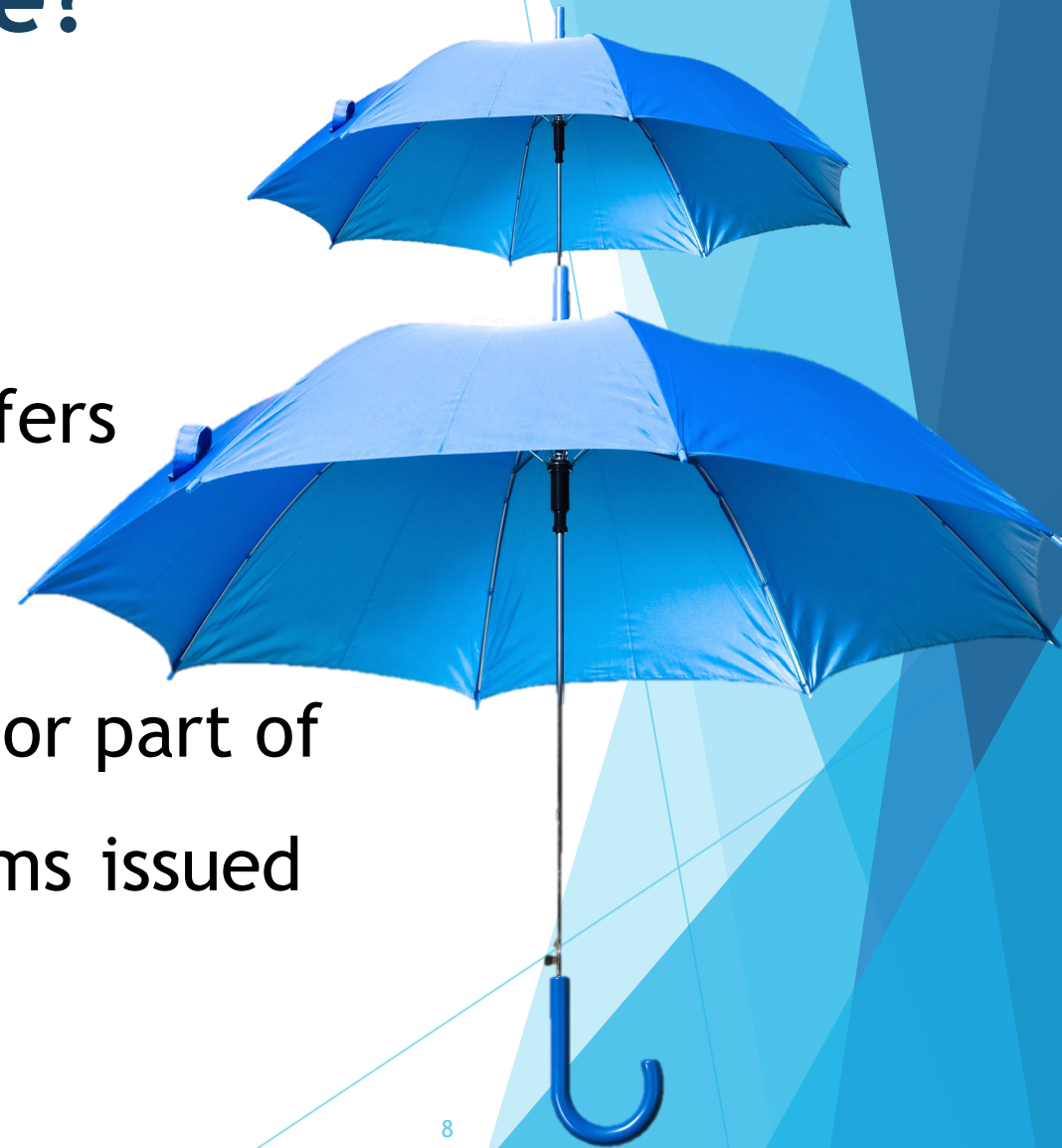
# Idaho's Individual Health Insurance Market - 2021

	Members Covered at End of Year	Enrollee Premium	Premium Paid through APTC	Total Premium
Exchange ACA	64,700	\$81,700,000	\$325,200,000	\$406,900,000
Off-Exchange ACA	10,400	\$66,100,000	\$0	\$66,100,000
Pre-Exchange Plans	6,900	\$28,300,000	\$0	\$28,300,000
<b>Total individual Market</b>	<b>82,000</b>	<b>\$176,100,000</b>	<b>\$325,200,000</b>	<b>\$501,300,000</b>



# What is Reinsurance?

- Insurance for insurance companies
- Insurance Company - cedent - transfers risk to the reinsurance company
- Reinsurance Company - assumes all or part of one or more insurance policies/claims issued by the cedent





# About the Idaho High Risk Reinsurance Pool

- Individual health insurance enrollees who are diagnosed with certain medical conditions are ceded to the Pool by the insurer, without any action by or impact to the ceded individuals.
- Health insurer pays a monthly reinsurance premium to the Pool per ceded individual.
- Once the claims for a ceded individual reach a specified attachment point, the Pool pays the Insurer a set coinsurance percentage of claims greater than the attachment point.



# About the Idaho High Risk Reinsurance Pool

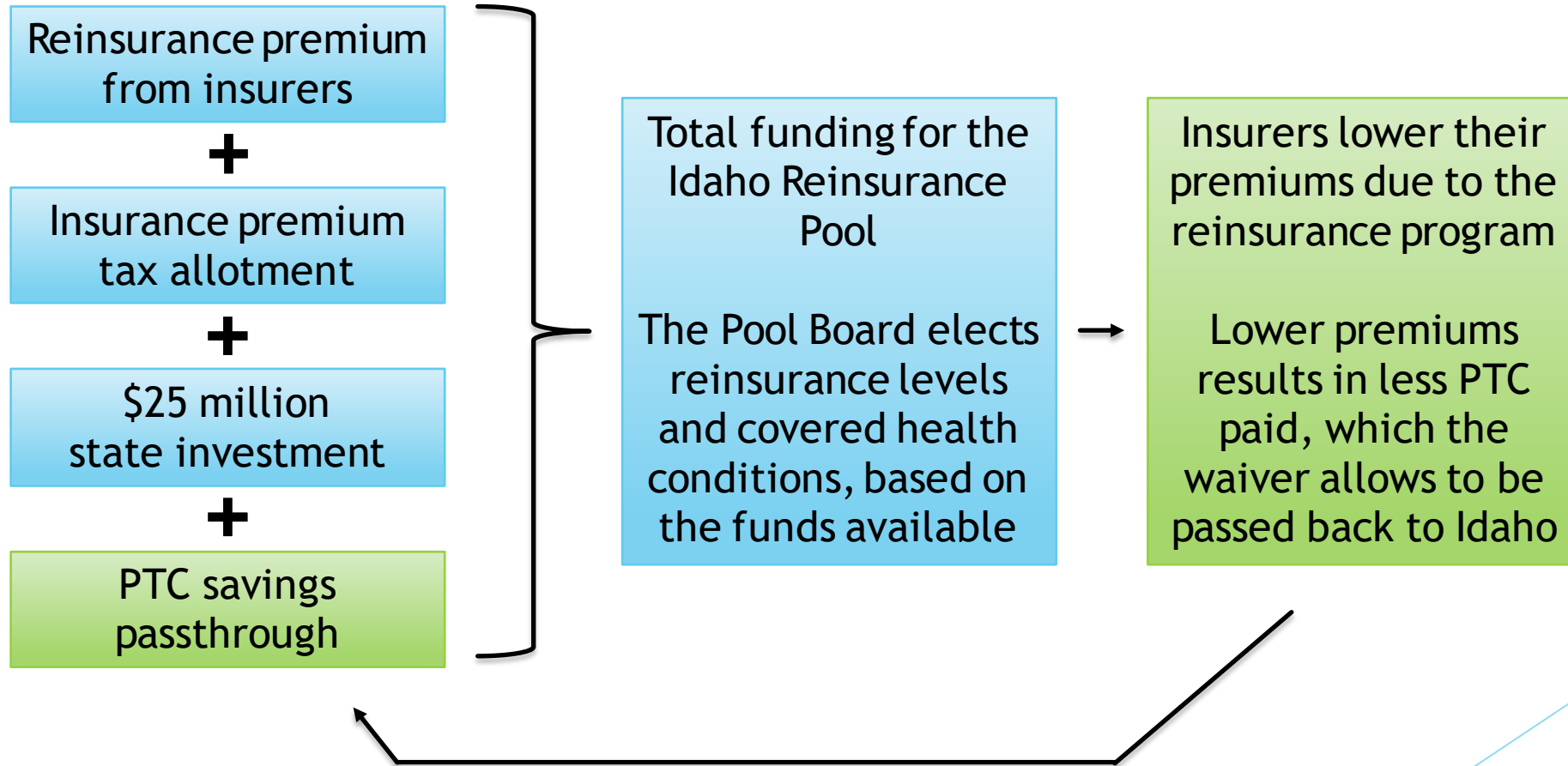
- The Reinsurance Pool spreads and reduces the insurers' costs for certain high risk health conditions.
- The Pool's reinsurance payments directly lower the premiums that insurers charge.
- In recent years, the Pool reduced the individual health insurance premiums by 2-4%.



# How Does the Waiver Work?

- **Lower PTC costs:** The waiver reduces (through the Idaho Reinsurance Pool) the premiums of health plans sold on the Idaho exchange, so the federal government pays less in Premium Tax Credits (PTC).
- **Passthrough funding sent to Idaho's Pool:** The waiver authorizes the federal government to pay Idaho the PTC savings. Called “passthrough funding,” which keeps overall federal spending neutral. The Pool uses that funding to further reduce premiums.
- **No change in net premium to PTC recipients:** The waiver decreases both the insurance premiums and the PTC paid to Idaho residents, so Idahoans pay similar net premiums as without the waiver.

# Idaho Reinsurance Pool with Waiver



# What are the Benefits of the Waiver?

- **Lower premiums for Idahoans:** The waiver greatly benefits those Idahoans who do not qualify for PTC (such as family glitch), by substantially reducing premiums. It also reduces premiums for Idahoans with PTC who choose greater coverage plans (Gold).
- **Potential for increased health insurance enrollment:** Because Idahoans will be able to purchase individual health insurance with premiums significantly lower than would be available without the waiver, the Department anticipates that enrollment will increase due to better affordability.

# How Does Idaho Apply? Next Steps

A state's waiver application must include:

- Description of what program the waiver will implement
- Legislation authorizing the state to apply for and implement the waiver - *H611 signed by Governor Little on March 23, 2022*
- Actuarial and economic analysis supporting the waiver's program
- Feedback from a public comment period and public hearings -  
*Comment period ends May 1<sup>st</sup>*

After submission, CMS reviews for completeness, approves or denies

If approved, the waiver will impact 2023 health insurance premiums



# Questions?

For more information about Idaho's 1332 Waiver Application and to submit comments online visit <https://doi.idaho.gov/information/public/reinsurance-waiver/>

Interested parties may also request hard copies of the waiver packet or submit comments via email or traditional USPS mail to:

Attention: Shannon Hohl  
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Department of Insurance  
P.O. Box 83720; Boise, Idaho 83720-0043  
E-mail to: [DOI.Reform@doi.idaho.gov](mailto:DOI.Reform@doi.idaho.gov)

For more information about the 1332 Waiver process visit [https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section\\_1332\\_State\\_Innovation\\_Waivers-](https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers-)



