

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	2. Report Due Date 03/31/2022	3. Report Submitted On (Date)
4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight		
5. Federal Grant Number Assigned by Federal Agency	6a. DUNS Number 809398084	6b. EIN 1516000279
7. Recipient Organization Name The State of Delaware, Delaware Department of Health and Social Services (DHSS)		
Address Line 1 Herman M. Holloway Sr. Health and Social Services Campus		
Address Line 2 1901 N. DuPont Highway		
Address Line 3		
City New Castle	State DE	Zip Code 19720
Zip Extension	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)		

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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 Molly K. Magarik, Cabinet Secretary	
11b. Signature of Authorized Certifying Official	
11c. Telephone (area code, number, and extension) (302) 255-9039	
11d. E-mail address molly.magarik@delaware.gov	
11e. Date report submitted (month/day/year)	
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. DHCC is awaiting State Reinsurance Program payment information, to be provided in May 2022, under the CMS agreement for payment calculation support. Following review of the State-based Reinsurance Summary Report (SRISR), DHCC will determine the final payment amount for 2021 eligible claims. DHCC expects to remit payment to the issuer no later than July 31, 2022.	
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. DHCC reports no implementation and/or operational challenges to meet 1332 statutory guardrails.	

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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)		
	Value	Comments (if applicable)
a. Actual individual market enrollment on the Exchange in the state	unique:34,480 average: 25,163	SOURCE: May 2022 SRI Report. Total number of all active unique enrollee IDs associated with the issuer
Actual individual market enrollment off the Exchange in the state	unique: 4,4439 average: 3,784	SOURCE: May 2022 SRI Report. Total number of all active unique enrollee IDs associated with the issuer
b. Actual average individual market premium rate on the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$679.23	SOURCE: May 2022 SRI Report
Actual average individual market premium rate off the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$619.17	SOURCE: May 2022 SRI Report
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	\$408.53	SOURCE: Approved DE DOI 2021 Issuer Rate Tables
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	\$493.03	SOURCE: Approved DE DOI 2021 Issuer URRT sans expected SRI payment (\$PMPM)
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	N/A	-
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.	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.

DHCC confirms there was no impact of the waiver on Delaware's scope of benefits or the Essential Health Benefit benchmark plan.

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.

DHCC reports updated 2022 State Reinsurance Program Parameters, targeting a 15% rate reduction, as follows:

Attachment Point: \$65,000
 Coinsurance: 80%
 Cap: \$300,000

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

DHCC reports no changes to DE state law that might impact the waiver.

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	\$38,883,544 - amount in "b"	Note, this is an estimate. DHCC expects to utilize the totality of pass-through funding for 2021 SRP payments.
b. Amount of Federal pass-through funding spent on operation of the reinsurance program	\$0	Delaware funds support the following costs: - Cost of actuarial & consultant support - Cost of CMS EDGE Server agreement

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c. Amount of any unspent balance of Federal pass-through funding for the reporting year	\$0	DHCC confirms utilization of total of pass-through funding for 2021 SRP Payments
d. Amount of state funding contribution to fully fund the program for the reporting year	\$2,997,136.78	Determined as: 2021 SRI Payment - 2021 Pass-through funding
<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>For 2020 State Reinsurance Program Claims Drivers</p> <p>The proportion of SRP-eligible claims attributed to:</p> <ol style="list-style-type: none"> 1. Acute/emergency care episode: 42.0% 2. Chronic Conditions: 58.0% 3. COVID-19 Related Claims: 2.2% <p>The proportion of the five most prevalent chronic conditions within the SRP-claims eligible population:</p> <ol style="list-style-type: none"> 1. Cancer: 17.5% 2. Renal Failure and/or post kidney transplant: 6.1% 3. Hypertension (Includes stroke & peripheral vascular disease): 5.1% 4. Severe rheumatic & other connective tissue disease: 3.9% 5. Liver disease (Hepatitis, Cirrhosis) – port transplant: 3.3% 		
<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>DHCC will require that issuers receiving payments from the State Reinsurance Program provide an annual report detailing claims drivers. Please, see the below requirements. DHCC may consider policy intervention following review & analysis of 2021 SRP report findings.</p> <p>The issuer shall provide:</p> <ul style="list-style-type: none"> - An estimate of total cost savings (\$) to the State Reinsurance Program associated with SRP enrollee participation in issuer care management programs. - The methodology utilized by the issuer to provide the cost savings estimate. - The data set utilized by the issuer to provide the cost savings estimate. - The issuer shall utilize the 2019 membership population as the base year and determine cost savings across the 2020/2021 SRP years. 		
<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)

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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	Not yet available. DHCC will be able to provide this detail following 2021 HHS risk adjustment reporting.
b. Risk adjustment amount paid by HHS for those claims	N/A	As Delaware is a single issuer state, we affirm no Risk Adjustment payments are transferred to the issuer.
c. Reinsurance reconciliation (or true-up) amount applied	N/A	Not yet available. DHCC will be able to provide this detail following 2021 HHS risk adjustment reporting.

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

State of Delaware Public Meeting Calendar, <https://publicmeetings.delaware.gov>

24. Date Post-Award Forum took place

June 21, 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 June 21, 2021, Delaware hosted a virtual Public Forum in accordance with the Specific Terms and Conditions for the State of Delaware's Patient Protection and Affordable Care Act section 1332 State Innovation Waiver. The Public Forum was an opportunity for the public to provide meaningful comment on the progress of the waiver. The Forum was held virtually because of the State's COVID-19 restrictions on large gatherings. The event was posted on the State of Delaware's Public Meeting Calendar.

During the Forum, background information was provided on Delaware's 1332 waiver application submission and approval process. The Forum highlighted how the reinsurance program reduces premium rates and by how much. With the Reinsurance Program in place, Delaware has experienced great improvements in increased enrollment and decreased premiums. The 2022 parameters were announced as well.

After the presentation, the conference line was held open for questions. None were received. Written comments were accepted until June 28, 2021. None were received.

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After the Forum, the presentation posted on the DHCC website, <https://dhss.delaware.gov/dhss/dhcc/files/publicforum.pdf>

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

Post Award Forum presentation is posted on the DHSS/DHCC website, <https://dhss.delaware.gov/dhss/dhcc/files/publicforum.pdf>

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.

On a periodic basis, the DHCC requests that the participating issuer submit enrollee data for the proper implementation of the State Reinsurance Program. The data calls ensure that the reinsurance parameters are set in alignment with expectations under the waiver.