

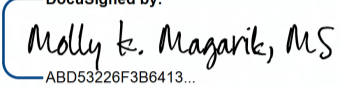
## Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers - Reinsurance Waiver Annual Report

**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		
<b>1. Reporting Period End Date</b> 12/31/2020	<b>2. Report Due Date</b> 03/31/2021	<b>3. Report Submitted On (Date)</b> 04/16/2021
<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>	<b>6a. DUNS Number</b> 809398084	<b>6b. EIN</b> 1516000279
<b>7. Recipient Organization Name</b> The State of Delaware, Delaware Department of Health and Social Services (DHSS)		
<b>Address Line 1</b> Herman M. Holloway Sr. Health and Social Services Campus		
<b>Address Line 2</b> 1901 N. DuPont Highway		
<b>Address Line 3</b>		
<b>City</b> New Castle	<b>State</b> DE	<b>Zip Code</b> 19720
<b>Zip Extension</b>	<b>8. Grant Period Start Date</b> 01/01/2021	<b>9. Grant Period End Date</b> 12/31/2024
<b>10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)</b>		

## Reinsurance Waiver Annual Report

<b>B. REPORT CERTIFICATION</b>
<b>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.</b>
<b>11a. Typed or printed name and title of Authorized Certifying Official</b> Molly K. Magarik, Cabinet Secretary
<b>11b. Signature of Authorized Certifying Official</b> 
<b>11c. Telephone (area code, number, and extension)</b> (302) 255-9039
<b>11d. E-mail address</b> molly.magarik@delaware.gov
<b>11e. Date report submitted (month/day/year)</b> <small>4/16/2021   1:02 PM EDT</small>
<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><b>Calendar Year 2020 Activities and Highlights</b></p> <ul style="list-style-type: none"> <li>• <b>01/03/20 an Intergovernmental Agreement between CMS and DHSS/Delaware Health Care Commission (DHCC) was executed. Per the agreement, CMS will calculate reinsurance payments to issuers participating in the State of Delaware's reinsurance program under Delaware's State Innovation Waiver.</b></li> <li>• <b>04/2020 a contract was finalized between the DHSS/DHCC and Oliver Wyman Actuarial Consulting, Inc. to provide actuary support for Delaware's reinsurance program.</b></li> <li>• <b>In Q2 of 2020 the DHSS/DHCC worked closely with Oliver Wyman Actuarial Consulting, Inc. and Delaware's leadership team at the Department of Insurance to set the 2021 payment parameters. The parameters were also discussed with the issuer on Delaware's exchange, Highmark Blue Cross Blue Shield Delaware. The parameters were formally announced at the Public Forum and are set as follows:</b> <ul style="list-style-type: none"> <li>o Attachment point: \$65,000</li> <li>o Coinsurance rate: 80%</li> <li>o Reinsurance cap: \$335,000</li> </ul> </li> <li>• <b>06/22/2020 the DHSS/DHCC hosted a virtual Public Forum to provide the public an opportunity to give meaningful comment on the progress of the Section 1332 Waiver.</b></li> <li>• <b>09/2020 Delaware worked closely with Oliver Wyman Actuarial Consulting, Inc to obtain Highmark's 2021 Delaware Individual ACA rate filing: Finalized 2021 Individual ACA rate tables and an un-redacted version of the DE 2021 Individual ACA rate filing, including the actuarial memorandum and URRT. This</b></li> </ul>

## Reinsurance Waiver Annual Report

**information was utilized to complete the CMS Pass-Through Funding Report**

- **09/2020 a contract was finalized between DHSS/DHCC and JP Consulting to provide policy support for the Reinsurance Program.**
- **Throughout 2020, Delaware corresponded with 1332 counterparts in Maryland and Colorado. Items discussed included the public forum, the potential impact of COVID to the reinsurance program, and the process for issuing payments to issuers.**

**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**

## Reinsurance Waiver Annual Report

<b>D. PROGRESS OF SECTION 1332 WAIVER - <u>State-Specific</u></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	22,079	Monthly average for calendar year 2020
Actual individual market enrollment <b>off</b> the Exchange in the state	3,374	Monthly average for calendar year 2020
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)	\$666.85	Calendar year 2020
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)	\$614.40	Calendar year 2020
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	\$428.67	Calendar year 2020
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	\$497.16	Calendar year 2020
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 divided by 12 to provide an annualized measure.	N/A	N/A

## Reinsurance Waiver Annual Report

**15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.**

Affirmed that the DE State Innovation Waiver to Establish a State Reinsurance Program did not modify the scope of benefits or Essential Health Benefits incorporated within the State's 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.**

Delaware's House Bill 193 (HB 193) was passed on 06/20/2019 and established the state-based reinsurance program and funding source for the program. Per HB 193, the reinsurance program will be funded with federal pass-through funds and a 2.75% annual assessment based on each insurance carrier's premium that is subject to state premium tax. In the event Congress reinstates the Health Insurance Providers Fee defined under §9010 of the ACA for a particular calendar year, the annual assessment is reduced to 1.00% of each insurance carrier's premium that is subject to state premium tax. For plan year 2020, the assessment was equal to 1.00%; for plan year 2021 the assessment will be equal to 2.75%.

The 2021 parameters were formally announced at the 06/22/2020 Public Forum and are set as follows:

- o Attachment point: \$65,000
- o Coinsurance rate: 80%
- o Reinsurance cap: \$335,000

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

N/A

**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	N/A	DHSS/DHCC has not issued a payment to issuer. The first claim payment to issuer is scheduled for 07/2021 and will be based on the amount determined by the EDGE

## Reinsurance Waiver Annual Report

		Server.
b. Amount of Federal pass-through funding spent on operation of the reinsurance program	As of 04/06/2021, amount of federal pass-through spent is \$32,256.35.	Amount spent that was reported on the annual FFR through 12/31/2020 was \$29,956.25.
c. Amount of any unspent balance of Federal pass-through funding for the reporting year	\$21,602,647.00 as of 04/06/2021	
d. Amount of state funding contribution to fully fund the program for the reporting year	\$7,774,679.86	As of 04/06/2021, no money has been spent.
<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>Not available at this time. In Q3, DHSS/DHCC requires that issuers submit additional information on reinsurance-claims eligible enrollees across acute, chronic, and COVID-19 related claims. 2021 Issuer letter attached.</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>Not available at this time. In Q3, DHSS/DHCC is requiring that issuers submit additional information on reinsurance-claims eligible enrollees across acute, chronic, and COVID-19 related claims. DHSS/DHCC may take additional steps to set incentive structures, etc. following review of the issuer report. 2021 Issuer Letter attached.</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	N/A	
b. Risk adjustment amount paid by HHS for those claims	N/A	

## Reinsurance Waiver Annual Report

c. Reinsurance reconciliation (or true-up) amount applied	N/A	
<b>E. POST-AWARD FORUM</b>		
<b>22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?</b>		
<input checked="" type="radio"/> <b>Yes</b> <input type="radio"/> <b>No</b>		
<b>23. State website address where Post-Award Forum was advertised</b>		
<a href="https://publicmeetings.delaware.gov/#/meeting/66067">https://publicmeetings.delaware.gov/#/meeting/66067</a>		
<b>24. Date Post-Award Forum took place</b>		
June 22, 2020		
<b>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.</b>		
<p>On June 22, 2020, Delaware hosted a virtual Public Forum in accordance to 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 virtual because of the State’s COVID-19 restrictions on large group gatherings. The event was advertised on the State of Delaware’s Public Meeting Calendar.</p> <p>During the Forum, background information was provided about Delaware’s 1332 waiver application that was submitted to the U.S. Department of Health and Human Services on July 18, 2019 and approved August 20, 2019. The Forum highlighted that the reinsurance program reduced member premiums in the individual market by approximately 13.8% in 2020 relative to if a reinsurance program were not in place. The 2021 anticipated payment parameters were announced as well.</p> <p>After the presentation, the conference line was open for questions. There were no questions from the attendees. DHSS/DHCC announced written comments would be accepted until June 26, 2020 to <a href="mailto:DHCC@delaware.gov">DHCC@delaware.gov</a>. No written comments were received. The forum was attended by less than 10 participants. After the Forum, the PowerPoint presentation was posted on the DHCC website, <a href="https://dhss.delaware.gov/dhss/dhcc/reinsur1332waiver.html">https://dhss.delaware.gov/dhss/dhcc/reinsur1332waiver.html</a>.</p>		
<b>26. Other Attachments (attach other documents as needed pertaining to Post-Award Form)</b>		
Post-Award Forum is posted on the DHCC website: <a href="https://dhss.delaware.gov/dhss/dhcc/files/depublicforumfinal_06222020.pdf">https://dhss.delaware.gov/dhss/dhcc/files/depublicforumfinal_06222020.pdf</a>		

## Reinsurance Waiver Annual Report

### 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 state requires that participating issuers submit enrollee data for the proper implementation of the State Reinsurance Program Waiver. These data calls ensure that reinsurance parameters are set in alignment with expectations under the waiver.**



## Certificate Of Completion

Envelope Id: 15CE6FB594BF4E22809B07C0420A54FC	Status: Completed
Subject: Signature Needed: Reinsurance Annual Report	
Source Envelope:	
Document Pages: 8	Signatures: 1
Certificate Pages: 5	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Enabled	Eschalla Clarke
Time Zone: (UTC-05:00) Eastern Time (US & Canada)	19801 N. DuPont Highway
	New Castle, DE 19720
	eschalla.clarke@delaware.gov
	IP Address: 167.21.141.37

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Security Appliance Status: Connected	Pool: StateLocal	
Storage Appliance Status: Connected	Pool: Carahsoft OBO Delaware Department of Health and Social Services	Location: DocuSign

## Signer Events

Molly K. Magarik, MS  
Molly.Magarik@delaware.gov  
Security Level: Email, Account Authentication (None)

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ID: 104f0bf8-e793-4321-88c4-6f02cf05b6db

## In Person Signer Events

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Elisabeth Massa  
elisabeth.massa@delaware.gov  
Security Level: Email, Account Authentication (None)

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## Timestamp

## Notary Events

## Signature

## Timestamp

## Envelope Summary Events

## Status

## Timestamps

Envelope Sent	Hashed/Encrypted	4/16/2021 12:05:53 PM
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<b>Envelope Summary Events</b>	<b>Status</b>	<b>Timestamps</b>
Certified Delivered	Security Checked	4/16/2021 1:01:39 PM
Signing Complete	Security Checked	4/16/2021 1:02:09 PM
Completed	Security Checked	4/16/2021 1:02:19 PM

<b>Payment Events</b>	<b>Status</b>	<b>Timestamps</b>
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You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [linda.weller@delaware.gov](mailto:linda.weller@delaware.gov)

**To advise Carahsoft OBO Delaware Department of Health and Social Services of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [linda.weller@delaware.gov](mailto:linda.weller@delaware.gov) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

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