

# DEPARTMENT OF HEALTH AND SOCIAL SERVICES (DHSS)



July 18, 2025

## DE 1332 STATE INNOVATION WAIVER PUBLIC FORUM

Elisabeth Massa, Executive Director  
Delaware Health Care Commission

# BACKGROUND

- Forum is required pursuant to 31 CFR §33.120(c) and 45 CFR §155.1320(c)
- Delaware Department of Health and Social Services (DHSS) will host forum annually
- Provide public with an opportunity to give meaningful comment on the progress of the Section 1332 Waiver thus far



- Over the first five years of the reinsurance program (2020 – 2024), average monthly enrollment has increased by 100% from 2019 levels and the average premium per member per month (PMPM) has remained below levels observed in 2018 and 2019.

**Table 1. Delaware Individual Market Membership and Premium – 2017 to 2024**

	2017	2018	2019	2020	2021	2022	2023	2024
Annual Member Months	360,000	290,000	280,000	310,000	350,000	400,000	450,000	560,000
Premium (in \$M)	\$200.3	\$215.3	\$228.8	\$205.8	\$227.7	\$280.9	\$318.2	\$398.5
Average Premium PMPM	\$556	\$743	\$817	\$664	\$650	\$702	\$707	\$712
Y-Y Monthly Member Change		-19%	-3%	11%	13%	14%	13%	24%
Y-Y Premium PMPM Change		33%	10%	-19%	-2%	8%	1%	1%

Source: 2017 - 2023 based on carrier-reported MLR data; 2024 based on carrier-reported data in response to data request

## **Legislation was passed to authorize the 1332 waiver application and secure funding for the reinsurance program**

- Senate Concurrent Resolution 70 (SCR 70) was passed on June 28, 2018 and authorized the State's 1332 waiver application
- House Bill 193 (HB 193) was passed on June 20, 2019, and established the state-based reinsurance program and secured a funding source for the program
  - ❖ Under HB 193, the reinsurance program is funded with pass-through funds received from the federal government under the Affordable Care Act (ACA) and an annual 2.75% assessment on each carrier's premiums, where subject to state premium tax
  - ❖ If Congress reinstates the Health Insurance Providers Fee defined under §9010 of the ACA for a particular calendar year the annual assessment will be reduced to 1.00% of carrier premiums, where subject to state premium tax
  - ❖ The assessment was equal to 1.00% in 2020, 2.75% in 2021 through 2025 and will be equal to 2.75% in 2026

## **DHSS submitted its 1332 waiver application on July 10, 2019 and the application was approved on August 20, 2019**

- Following a 30-day state public comment period, beginning on May 30, 2019, DHSS submitted the State's 1332 waiver application on July 10, 2019
- In the waiver application, DHSS requested a waiver of the ACA single risk pool requirement to allow insurers to adjust individual premium rates to account for the rate impact of the reinsurance program
- On July 18, 2019, DHSS received notice from the U.S. Department of Health and Human Services (HHS) that the waiver was deemed complete, starting the 30-day federal public comment period
- HHS approved Delaware's 1332 Waiver application on August 20, 2019
- The 1332 Waiver approval allows DHSS to operate a 5-year reinsurance program, effective January 1, 2020
- A five-year extension was submitted on April 2, 2024 and approved on July 31, 2024 to extend the program through December 31, 2029

## In approving the application and extension, HHS concluded that the Reinsurance Program complies with all four 1332 waiver guardrails

1. ***Comprehensiveness of coverage:*** Delaware's 1332 waiver does not in any way seek to alter the requirements of coverage under state mandated benefits or under the ACA's required coverages.
2. ***Affordability of coverage:*** Delaware's 1332 waiver does not require or encourage issuers to alter cost-sharing designs or network coverage and established lower premium rates. In addition, by establishing a reinsurance program to lower rates, Delaware's 1332 waiver reduces premium contributions made by a number of individuals (e.g., those individuals who do not receive premium tax credits) and reduces the cost of comprehensive health insurance in the Individual market.
3. ***Scope of coverage:*** Delaware's 1332 waiver is expected to result in an increase in membership in the individual ACA market due to the reduction in rates resulting from the reinsurance program.
4. ***Deficit neutrality:*** Delaware's 1332 waiver does not increase the federal deficit or federal revenues or outlays.

**For 2026, the program is expected to reduce gross member premiums (i.e., prior to the application of federal premium tax credits) in the Individual ACA market by approximately 7.0% relative to if no reinsurance program were in place**

- The reinsurance program will reimburse a portion of an insurer's paid claims in the event the insurer's paid claims for a particular member fall between established payment parameters; for 2026, the anticipated payment parameters are as follows:
  - Attachment point: \$55,000
  - Coinsurance rate: 35%
  - Reinsurance cap: \$340,000
  - *Example:* For 2026, the program would reimburse \$15,750 to an insurer for a member that incurred \$100,000 in paid claims (i.e.,  $[\$100,000 - \$55,000] \times 35\% = \$15,750$ )
- The reinsurance program is projected to cost a total of \$45.9 million for 2026
  - Federal pass-through funding for the program is projected to be \$17.4 million for calendar year 2026, and the remainder of the cost, \$28.5 million, is expected to be funded through the assessment which was established by HB 193
  - The federal pass-through funding estimate assumes the average morbidity in the single risk pool is 0.2% lower with the reinsurance program in place

## PUBLIC COMMENT

- Written comments can be submitted to the Delaware Health Care Commission [DHCC@delaware.gov](mailto:DHCC@delaware.gov).
- Please send comments by close of business Friday, July 25, 2025.







THANKYOU