

Policy Option for Maine Individual and Small Group Markets

**Prepared for the Maine Bureau of
Insurance**

August 25, 2020

Gorman Actuarial, Inc.

Bela Gorman, FSA, MAAA

Jenn Smagula, FSA, MAAA



Gorman Actuarial, Inc.

Table of Contents

Section Title	Page Number
1. Introduction	3
2. Proposed Policy: Pooling Individual and Small Group Markets with a Retrospective Reinsurance Program	4
3. Membership Shifts and Scenario Testing	6
4. Comparison of Current MGARA Program to Proposed Policy	9
5. Conclusion	10
6. Appendix	10
Considerations and Limitations	10
Qualifications	11
Possible Reinsurance Parameters	11
Modeling Approach	11
Supporting Tables	13

List of Tables

Table	Page Number
TABLE 1: SCENARIO TESTING ASSUMPTIONS	7
TABLE 2: COMPARISON OF POLICIES	9
TABLE 3: BEST ESTIMATE ASSUMPTION AND RESULTS	14
TABLE 4: SCENARIO A ASSUMPTION AND RESULTS COMPARED TO BEST ESTIMATE	15
TABLE 5: SCENARIO B ASSUMPTION AND RESULTS COMPARED TO BEST ESTIMATE	16

List of Figures

Figure	Page Number
FIGURE 1: COMPARISON OF SMALL GROUP MARKET PREMIUM RATES	5
FIGURE 2: COMPARISON OF INDIVIDUAL MARKET PREMIUM RATES	6
FIGURE 3: PROJECTED 2022 PREMIUMS SCENARIO TESTING RESULTS	8

1. Introduction

Since March 2017, the small employer group market in Maine has experienced significant declines in membership and high medical cost trends. Enrollment has decreased 18%, and from 2017 to 2019 medical costs increased 18.3%.¹ The average annual rate increase for the small group market was 8.8% in 2019, 8.5% in 2020, and 5.3% in 2021.² This is a 24% increase over the three-year period. On its current trajectory, the small group market may continue to see membership decline and only those that truly need health care services may stay enrolled in the market, which will lead to a continued escalation in premiums.

Enrollment in the individual market has also declined, experiencing a 22% decrease since March 2017.³ However, some of the reduction in membership was due to MaineCare expansion, which resulted in a shift in coverage from the commercial market to the MaineCare program. The individual market has not experienced the same high medical costs trends as the small group market, with medical trend increasing at a more modest rate of 5.5% from 2017 to 2019.⁴ In addition, the individual market has been helped by the Maine Guaranteed Access Reinsurance Association (MGARA) prospective reinsurance program, which was reactivated in 2019. This program is funded by an assessment across the Maine fully insured and self insured commercial markets, premiums paid by participating insurers to MGARA, and federal funding through a State Innovation Waiver under Section 1332 (1332 Waiver) of the Affordable Care Act (ACA). The MGARA reinsurance program and the expansion of MaineCare appear to have mitigated the need for rate increases in the individual market and stabilized the market. In the individual market, the average rates **decreased** by 0.5% in 2019, 1.5% in 2020 and 13% in 2021.⁵

Generally, as markets get smaller, the enrollees who remain in the market are less healthy and require more health care resources, which drives up premiums. Both the individual market and small group market in Maine are relatively small, with 65,000 members enrolled in the individual market and 50,000 enrolled in the small group market.⁶ Policymakers are concerned that the small group market may continue to lose enrollees, which may result in higher health insurance premiums in the future.

¹ Increase in medical costs based on data collected from insurers. Enrollment trend compares March 2020 to March 2017.

² 2019 and 2020 increases based on public rate filings and averaged across three major insurers. 2021 increases based on summaries reported by the Bureau of Insurance (BOI) and averaged across all insurers.

³ Enrollment trend compares March 2020 to March 2017.

⁴ Based on data collected from insurers.

⁵ 2019 and 2020 rate changes are based on rate filings and averaged across the three insurers. 2021 rate changes are based on summaries reported by the BOI and averaged across all insurers.

⁶ Maine BOI 940 Reports and Maine BOI Data Request of insurers April 2020.

One option to mitigate the rate increases in the small group market and potentially help stabilize both markets is to combine the individual and small group markets into one rating pool and to overlay a retrospective reinsurance program across the pooled market. Pooling the market alone would reduce the rates in the individual market and increase rates in the small group market. The reduction in rates in the individual market would reduce federal spending on Premium Tax Credits which would allow Maine to receive that amount in federal pass through funding through a 1332 waiver. This additional federal funding combined with the current \$4.00 per member per month (PMPM) assessment for the MGARA program could be funneled into a retrospective reinsurance program which would benefit the entire pooled market, generating additional federal pass through funding.

The Maine Bureau of Insurance (ME BOI) has engaged Gorman Actuarial (GA) to model the impact of this proposed policy option. This report presents the results of the modeling. This analysis used a similar methodology to that used to produce estimates presented to Maine State Legislature's Health Coverage, Insurance, and Financial Services Committee on February 26, 2020. It has been updated to reflect more recent claims experience and actual enrollment through March 2020. It also includes the rate changes insurers filed for 2021 which reflect a rate decrease of 12%⁷ in the individual market rather than the 6% increase which was assumed in the analysis from February. The rate decrease in 2021 is largely due to insurers more accurately accounting for the impact of the current MGARA program as well as the reflection of improved morbidity and lower claims trend in the individual market. Additionally, different scenarios were modeled to reflect the continued deterioration of the small group market and the potential economic downturn from the pandemic.

2. Proposed Policy: Pooling Individual and Small Group Markets with a Retrospective Reinsurance Program

Throughout this report, we show small group rates under two different scenarios:

- Small group market rates with no intervention. (Current Policy)
- Small group market rates with policy changes. (Proposed Policy)
 - Combine the individual and small group markets into one rating pool.
 - Overlay a retrospective reinsurance program across the pooled market.

For the individual market we show individual market rates under three different scenarios:

⁷ Preliminary filings showed average rate changes of -11.7% which was used to perform the updated modeling. Final filings submitted result in an average rate change of -13%.

- Individual market rates with no MGARA program or pooled market in place. (No MGARA)
- Individual market rates with MGARA. (Current Policy)
- Individual market rates with policy changes. (Proposed Policy)
 - Combine the individual and small group markets into one rating pool.
 - Overlay a retrospective reinsurance program across the pooled market.

The results presented throughout this report are based on averages across all insurers currently participating in the Maine individual market and small group market. Results by insurer will vary based on an insurer's business mix between the two markets, the health status of the insurer's members, and other insurer-specific attributes.

Figure 1 illustrates GA's best estimates of projected premium rates in the small group market under the two scenarios described above. The blue line represents projected small group premium rates with no change to current policy. In other words, this is the average premium if the small group market continues on its current trajectory. The yellow line represents the projected premium under the proposed policy of pooling the markets and establishing a retrospective reinsurance program. GA's best estimate projects a 4% decrease in small group market rates as a result of the proposed policy compared to the status quo (beginning in 2022 when the policy would take effect).

Small Group Market Projected Premiums

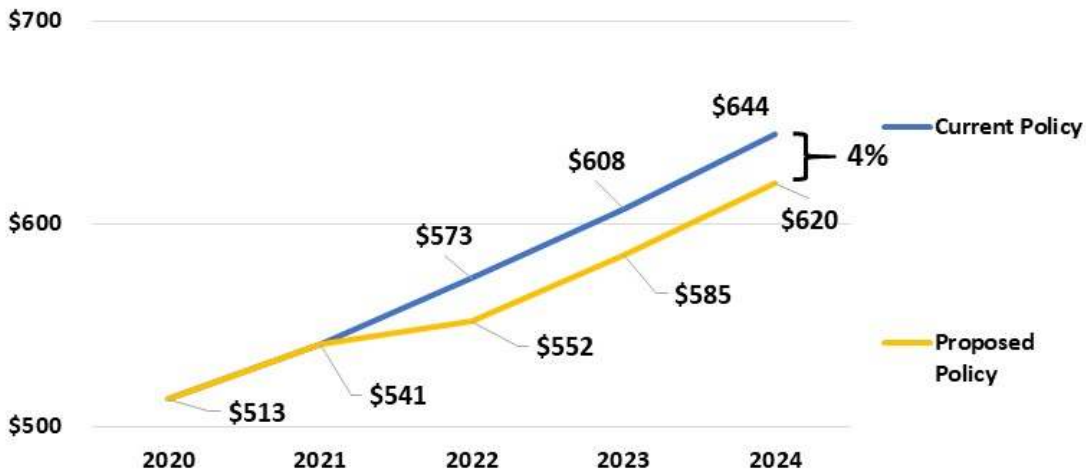


Figure 1: Comparison of Small Group Market Premium Rates⁸

⁸ Assumed a 6% underlying premium trend from 2022 to 2024. The \$4 .00 PMPM assessment is included in all premiums. Results reflect the average rate change from the most recent 2021 rate filings and final 2019 risk adjustment results published by CMS. Premium have been rounded to the nearest dollar in this chart and measure the average per-member, per-month premium.

Figure 2 illustrates GA’s best estimate projections for premium rates in the individual market under the three scenarios described above. The gray line represents projected individual market premium rates with no MGARA reinsurance program or pooling in place. The blue line represents projected individual market premium rates with the MGARA program continued in its current form. In other words, this is the average premium if the individual market continues on its current trajectory. The yellow line represents the projected premium under the proposed policy of pooling the markets and establishing a retrospective reinsurance program. GA’s best estimate projects a 7% decrease in rates when compared to a scenario where there is no MGARA program and a 4% increase in rates when compared to the individual market under the current policy.

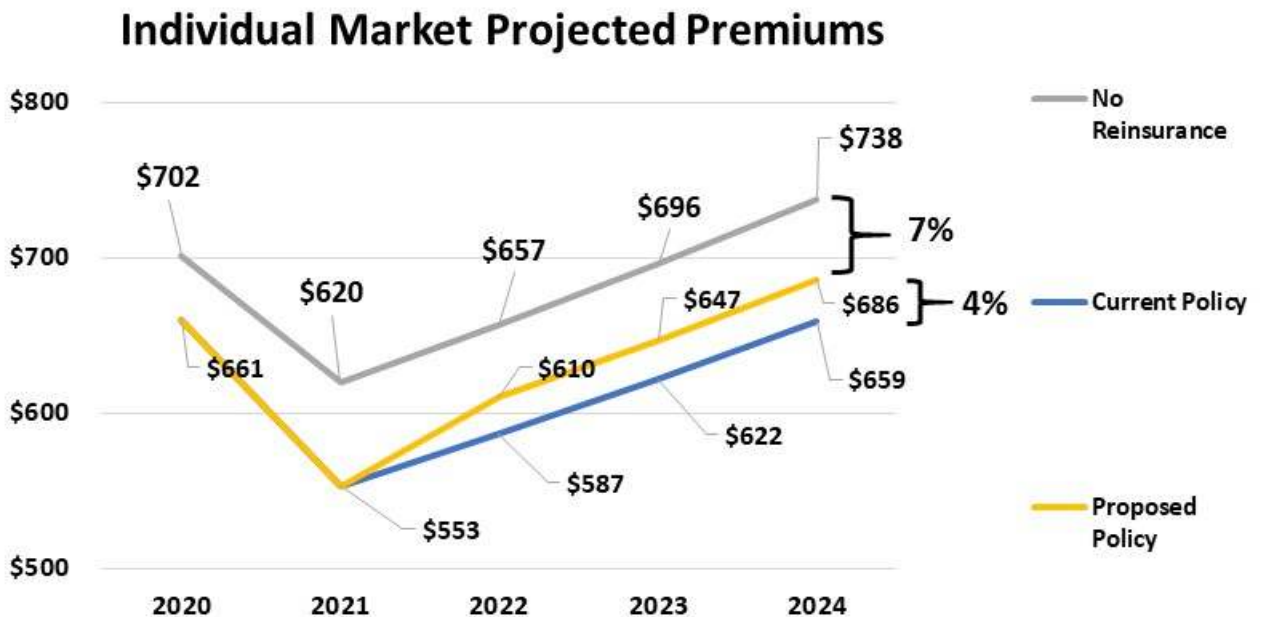


Figure 2: Comparison of Individual Market Premium Rates^{9, 10}

3. Membership Shifts and Scenario Testing

As mentioned earlier, the individual and small group markets in Maine are relatively small. Any shifts or changes in membership could lead to different results, especially in

⁹ Assumed a 6% underlying premium trend from 2022 to 2024. \$4.00 PMPM assessment is included in all premiums. Results reflect the average rate change from the most recent 2021 rate filings and final 2019 risk adjustment results published by CMS. Premiums have been rounded to the nearest dollar in this chart and measure the average per-member, per-month premium.

¹⁰ The modeling is based on reported 2019 premiums adjusted for 2020 and 2021 rate changes from the rate filings. Premiums in the individual and small group market vary due to benefit differences, age, area and network differences, and will continue to vary by these attributes in a pooled market.

light of the economic disruption and uncertainty caused by the COVID-19 pandemic. Due to this dynamic environment, GA tested several different possible scenarios and has included the results of two scenarios below. Scenario A was intended to reflect potential changes in the economy due to COVID-19 and Scenario B was intended to reflect a “worst case scenario” for the individual market. The table below summarizes the assumptions underlying the two scenarios. Assumptions were made around market size and the health status of enrollees exiting the small group market. Under Scenario A, GA has assumed that those enrollees who lose small group coverage are less healthy than those who remain. GA has assumed that all of these individuals enroll in coverage through the individual market with the assistance of federally-funded Advance Premium Tax Credits.¹¹ Under Scenario B, a significant number of small employers leave the fully-insured market for other alternatives; as a result, those enrollees who leave the small group market are healthier on average than those who remain, and they do not transition into the commercially-insured individual market. In both Scenario A and Scenario B, GA has assumed that the effects of the current MGARA program remain the same in 2022 as the insurers assumed in the 2021 rate filings.

	Scenario A	Scenario B
Change in Small Group Market Size	Decrease 5%	Decrease 15%
Health Status of the Small Group Enrollees who EXIT the market	50% less healthy than average	20% healthier than average
Change in Individual Market Size	Increase 5%	No Change
Health Status of the Individual Enrollees who ENTER the market	Equivalent to the Small Group Market Enrollees who exited	No Change
Advance Premium Tax Credit (APTC)	All New Individual Market Enrollees Eligible for APTC	N/A

Table 1: Scenario Testing Assumptions

The figure below shows the results of GA’s scenario testing. The first set of bars labeled “Best Estimate” align with the 2022 projected premiums shown in **Figure 1** and **Figure 2** above. The solid bars represent the individual market and the patterned bars represent the small group market. The second set of bars shows the results for Scenario A and the third set of bars shows the results for Scenario B. As shown in Scenario A, there is little difference in premium rates for the individual market between the current policy and

¹¹ Under this scenario, GA had assumed those employers that exit the small group market are in industries with generally higher risk profiles, such as the tourism industry.

the proposed policy (\$601 vs. \$600).¹² In the small group market, the premiums under the proposed policy are 4% lower than the premiums with current policy (\$536 vs. \$558). Under Scenario B, the individual rates under the proposed policy are 6% higher than the rates under the current policy with MGARA (\$619 vs. \$587) and the small group rates under the proposed policy are 5% lower than the rates with the current policy (\$565 vs. \$593). A key finding is that in all scenarios tested, the premium rates under the proposed policy for the individual and small group markets are lower than rates in an environment with no reinsurance program in place.

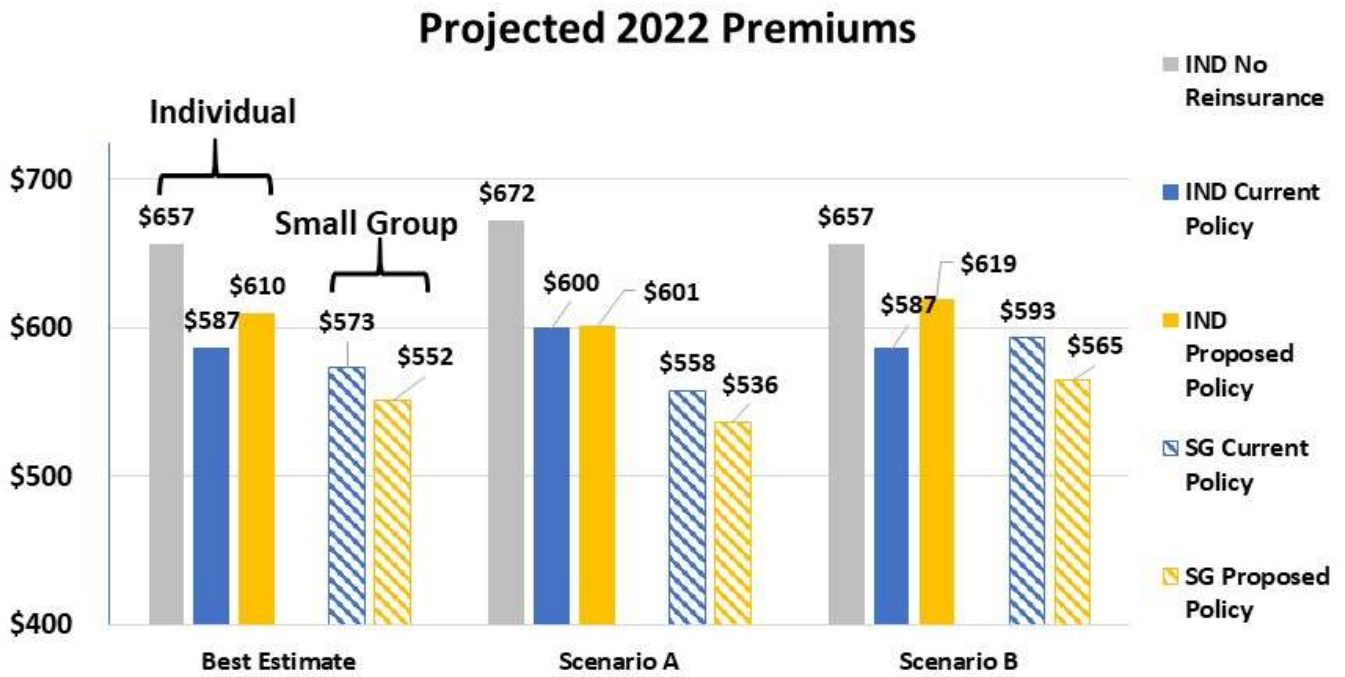


Figure 3: Projected 2022 Premiums Scenario Testing Results¹³

¹² The premium under the current policy (MGARA) increases compared to the best estimate (\$600 vs. \$587) because the overall health status of the individual market has worsened.

¹³ Premiums have been rounded to the nearest dollar in this chart and measure the average per-member, per-month premium.

4. Comparison of Current MGARA Program to Proposed Policy

The state of Maine currently has a reinsurance program for the individual market. The proposed policy would replace that program with a new reinsurance program across the pooled individual and small group market. The table below compares the current MGARA program to the proposed policy. As shown, the proposed policy will provide some premium relief to both the individual and small group markets by using the assessment on Maine's fully insured and self insured business, pooling the markets, and capitalizing on additional federal funding.

	Current MGARA Program	Proposed Policy
Assessment on Fully Insured and Self Insured Commercial Markets	\$4.00 PMPM	\$4.00 PMPM
Premium Relief for which Markets?	Individual	Pooled Individual & Small Group Markets
Federal Funding	Yes	Yes
Premium Charge to Insurers for Reinsured Members ¹⁴	Yes	No ¹⁵
Type of Reinsurance Program	Prospective	Retrospective
Individual Market Premium Reduction	11% ¹⁶	7% ¹⁷
Small Group Market Premium Reduction	None	4% ¹⁸

Table 2: Comparison of Policies

¹⁴ MGARA currently charges a premium to insurers for enrollees that are ceded into the MGARA program for reinsurance.

¹⁵ Under LD 2007, MGARA retains the option to charge ceding premiums for reinsured policies. Unlike the assessment on commercial health insurance and the federal pass-through funding, the ceding premium is not an additional source of funding for the reinsurance program, since it represents a transfer of funds within the market and therefore would not change the outcome of this analysis.

¹⁶ Overall average based on 2021 rate filing submissions.

¹⁷ See Best Estimate results in **Figure 2**. This premium reduction is the total impact of a pooled market and reinsurance program.

¹⁸ See Best Estimate results in **Figure 1**. This premium reduction is the total impact of a pooled market and reinsurance program.

5. Conclusion

Larger insured pools have less premium rate volatility from one year to the next, which leads to greater market stability. Maine's individual and small group markets are both relatively small in size, which can lead to greater rate volatility over time. Combining the markets into one rating pool can create greater market stability, and coupling this change with a reinsurance program that maximizes federal funding can provide some premium relief for both markets.

6. Appendix

Considerations and Limitations

Gorman Actuarial (GA) prepared this presentation for use by the Maine BOI. While GA understands that this document may be distributed to third parties, GA assumes no duty or liability to any third parties who receive the information herein. This report should only be distributed in its entirety.

Users of this report must possess a reasonable level of expertise and understanding of health care, health insurance markets and financial modeling so as not to misinterpret the information presented. The report addresses certain provisions of the Affordable Care Act, but is not intended to act as an official or comprehensive interpretation of the legislation itself.

Analysis in this report was based on data provided by the Maine BOI, insurers in the Maine health insurance markets, and other public sources. GA has not audited this information for accuracy. GA has performed a limited review of the data for reasonableness and consistency. If the underlying data are inaccurate or incomplete, the results of this analysis may likewise be inaccurate or incomplete.

The results presented in this report are estimates based on complex actuarial models. Differences between our estimates and actual amounts depend on the extent to which future experience conforms to the assumptions made for this analysis. Actual experience will most likely not conform exactly to the assumptions used in this analysis. Actual results will differ from projected results to the extent that actual experience deviates from expected experience.

The report contains statements that attempt to provide some prospective context to current or past trends. These statements are based on the understanding of the existing and proposed regulatory environment as of August 2020. If subsequent changes are made, these statements may not appropriately represent the expected future state.

While GA performed scenario testing considering potential changes due to COVID-19, the testing was not exhaustive. Actual results may differ due to the wide range of possible outcomes due to the impact of COVID-19 on health care expenses and the economy.

Qualifications

This study includes results based on actuarial analyses conducted by Bela Gorman and Jennifer Smagula, both of whom are members of the American Academy of Actuaries and Fellows of the Society of Actuaries. They both meet the qualification standards for performing the actuarial analyses presented in this report.

Possible Reinsurance Parameters

GA modeled potential reinsurance parameters under a retrospective reinsurance program. As shown in **Table 3** below, the premium reduction impact of the reinsurance program under the Best Estimate projection is 5.6% (line 16). This translates to an approximate 6.5% reduction on incurred claims. Using CY 2019 member level claims data collected from each insurer, GA projected claims forward to 2022 and tested several reinsurance assumptions. One set of possible reinsurance parameters is to reimburse insurers 50% of claims between \$100K and \$250K and 40% of claims above \$1 million. In 2016, the federal transitional reinsurance program reimbursed insurers 52.9% of claims between \$90K and \$250K.¹⁹

Modeling Approach

To model this policy, Gorman Actuarial collected data directly from the insurers, interviewed the insurance carrier actuaries, reviewed Maine rate filings²⁰, and utilized publicly available reports from CMS and the ME BOI. The goal of the modeling exercise was to analyze the impact of pooling the Maine individual and small group markets in 2022 and applying a retrospective reinsurance program on the pooled market. This policy would be funded by a \$4.00 PMPM assessment on Maine health insurance business and federal funding through a 1332 waiver. This retrospective reinsurance

¹⁹ The 2021 MGARA program is keeping the attachment points the same as for 2020 and will provide 90% reinsurance for claims between \$65,000 and \$95,000 and 100% reinsurance for claims above \$95,000, net of amounts recoverable from the Federal High Cost Risk Pool. See **Table 2** for differences between the current MGARA program and the proposed reinsurance program.

²⁰ GA utilized assumptions from rate filings submitted by the insurers as of July 22, 2020. Note, one insurer revised their weighted average rate change in their individual market rate filing after this date. GA has determined that the change is not material and did not incorporate this change into their modeling.

program would replace the current prospective individual market reinsurance program currently administered by MGARA.

GA's approach included the following steps:

- a. Developed a model that estimated the 2020 Advance Premium Tax Credit (APTC)²¹. The model was a "bottom up" model projecting APTC by insurer, income category, metal level, age category and rating area. The model was compared to actual 2020 APTC from the 2020 CMS open enrollment period public use files to ensure consistency.²²
- b. Projected 2022 APTC assuming no reinsurance policy (no MGARA) in place for the individual market. Projections utilized the 2020 APTC model. This scenario is referred to as the "baseline." 2022 premium rates were projected by utilizing 2020 and 2021 rates and rate filing assumptions. March 2020 was used as the starting point for all enrollment assumptions, as this reflects the impact of MaineCare expansion.
- c. Analyzed the impact of pooling individual and small group markets in 2022 by insurer. CY 2019 claims data was used as a starting point with adjustments made for future morbidity changes due to MaineCare expansion.
- d. Projected 2022 APTC assuming markets are pooled and a new retrospective reinsurance program is implemented, reducing the pooled market premium rates. Performed several iterations to ensure that funding from the assessment and the 1332 waiver would support the premium rate reductions due to the reinsurance program. The goal was to estimate the value of a reinsurance program that maximized federal APTC pass-through savings. GA also accounted for changes in second lowest cost silver plan by rating region as a result of the pooled market.
- e. Calculated APTC Savings (i.e. pass through funding) by comparing final 2022 APTC in the previous step to baseline results from 2022.
- f. Compared premium rates in the individual and small group markets after pooling markets and applying a new reinsurance program to rates without any policy changes.

²¹ Throughout the modeling, GA has made an adjustment to APTC to account for actual premium tax credits (PTC.)

²² CMS website last accessed on August 14, 2020: <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/2020-Marketplace-Open-Enrollment-Period-Public-Use-Files>.



- g. Included the \$4.00 PMPM assessment in both the rates without a reinsurance program and the rates with the program when determining the APTC pass through funding.²³

Supporting Tables

The three tables below provide more information on the assumptions and results for GA's Best Estimate projections, Scenario A, and Scenario B. In **Table 3**, the Best Estimate scenario, the current membership is shown in lines 1, 2 and 3 for the individual market, small group market, and APTC members, respectively. It was determined that the individual market morbidity is 3% higher than the small group market in CY 2019, as shown in line 4. GA has assumed that the individual market morbidity will improve by an additional 1% due to MaineCare expansion. Premium trend assumptions utilized in line 68, and 10 were determined by reviewing the 2021 rate filings.²⁴ The individual market and small group market policy impacts in lines 13 and 15 represent the impact to premium rates as a result of proposed policy compared to rates under the current policy. Across all insurers, the average individual market premium reduction due to the current MGARA program is assumed to be 11% in 2021.

²³ PL 653 (LD 2007) changed the \$4.00 PMPM assessment so that it is no longer contingent on the Section 1332 Innovation Waiver.

²⁴ SLCS in line 6 represents the second lowest cost silver plan.

	Current Data (March 2020)	Best Estimate Projected 2022
Key Assumptions		
1 IND Membership	64,817	65,000
2 SG Membership	50,228	50,000
3 APTC Membership	49,457	49,000
4 Morbidity Difference IND vs SG	1.03	1.02
5 Total Assessed Members		458,000
6 SLCS Rate Trend 2021		-11.2%
7 SLCS Rate Trend 2022		6.0%
8 IND Premium Trend 2021		-11.7%
9 IND Premium Trend 2022		6.0%
10 SG Premium Trend 2021		5.3%
11 SG Premium Trend 2022		6.0%
Output		
12 IND Pooled Market Impact		-1.5%
13 IND Overall Policy Impact		4.1%
14 SG Pooled Market Impact		2.0%
15 SG Overall Policy Impact		-3.8%
16 Gross Reinsurance Impact		-5.6%
17 Pooled Market Premium \$ Prior to Rein Program		\$817.8
18 Pass Through Funding from Pooled Market		\$3.2
19 Pass Through Funding from Reins		\$20.7
20 Assessment Collection		\$22.0
21 Total Dollar Value of Program		\$45.9

Table 3: Best Estimate Assumption and Results^{25, 26}

Table 4 compares the assumption and results from the Best Estimate scenario to Scenario A. Note, **Table 1** summarizes the assumptions for Scenario A and Scenario B. In Scenario A, the small group market membership decreases by 5% and the members exiting the small group market are 50% less healthy than the remaining members. In addition, the individual market membership increases by 5%. These additional members are assumed to be eligible for APTC. The members entering the individual market are assumed to have a health status equivalent to the members exiting the small group market. It is also assumed that there is no change in the premium rate impact assumed by the insurers from the current MGARA program. The individual market and small group market policy impacts in lines 13 and 15 represent the impact to premium rates

²⁵ Dollars shown in millions. Projected membership is rounded.

²⁶ The total assessed members in line 5 is derived from discussions with Milliman (MGARA's consulting actuaries).

as a result of proposed policy compared to rates under the current policy. Scenario A produces results that indicate no premium rate impact to the individual market (+0.1%) and a decrease in premiums of 4.0% for the small group market.

	Best Estimate Projected 2022	Scenario A Projected 2022
Key Assumptions		
1 IND Membership	65,000	68,000
2 SG Membership	50,000	47,000
3 APTC Membership	49,000	52,000
4 Morbidity Difference IND vs SG	1.02	1.07
5 Total Assessed Members	458,000	458,000
6 SLCS Rate Trend 2021	-11.2%	-11.2%
7 SLCS Rate Trend 2022	6.0%	6.0%
8 IND Premium Trend 2021	-11.7%	-11.7%
9 IND Premium Trend 2022	6.0%	6.0%
10 SG Premium Trend 2021	5.3%	5.3%
11 SG Premium Trend 2022	6.0%	6.0%
Output		
12 IND Pooled Market Impact	-1.5%	-2.9%
13 IND Overall Policy Impact	4.1%	0.1%
14 SG Pooled Market Impact	2.0%	4.2%
15 SG Overall Policy Impact	-3.8%	-4.0%
16 Gross Reinsurance Impact	-5.6%	-7.8%
17 Pooled Market Premium \$ Prior to Rein Program	\$817.8	\$827.7
18 Pass Through Funding from Pooled Market	\$3.2	\$11.8
19 Pass Through Funding from Reins	\$20.7	\$30.7
20 Assessment Collection	\$22.0	\$22.0
21 Total Dollar Value of Program	\$45.9	\$64.5

Table 4: Scenario A Assumption and Results Compared to Best Estimate²⁷

Table 5 compares the assumption and results from the Best Estimate to Scenario B. In Scenario B, the small group market membership decreases by 15% and the members exiting the small group market are 20% healthier than the members remaining. There is no change to the individual market in this scenario as it is assumed that the small group members exiting have chosen alternative insurance coverage or no insurance coverage. The individual market and small group market policy impacts in lines 13 and 15 represent the impact to premium rates as a result of the proposed policy compared to

²⁷ Dollars shown in millions. Projected membership is rounded.

rates under the current policy. The results for Scenario B indicate a 5.6% premium rate increase for the individual market as compared to the current policy and a 4.8% premium rate decrease for the small group market.

	Best Estimate Projected 2022	Scenario B Projected 2022
Key Assumptions		
1 IND Membership	65,000	65,000
2 SG Membership	50,000	42,000
3 APTC Membership	49,000	49,000
4 Morbidity Difference IND vs SG	1.02	0.98
5 Total Assessed Members	458,000	450,000
6 SLCS Rate Trend 2021	-11.2%	-11.2%
7 SLCS Rate Trend 2022	6.0%	6.0%
8 IND Premium Trend 2021	-11.7%	-11.7%
9 IND Premium Trend 2022	6.0%	6.0%
10 SG Premium Trend 2021	5.3%	5.3%
11 SG Premium Trend 2022	6.0%	6.0%
Output		
12 IND Pooled Market Impact	-1.5%	-0.5%
13 IND Overall Policy Impact	4.1%	5.6%
14 SG Pooled Market Impact	2.0%	0.5%
15 SG Overall Policy Impact	-3.8%	-4.8%
16 Gross Reinsurance Impact	-5.6%	-5.2%
17 Pooled Market Premium \$ Prior to Rein Program	\$817.8	\$776.9
18 Pass Through Funding from Pooled Market	\$3.2	\$0.0
19 Pass Through Funding from Reins	\$20.7	\$18.7
20 Assessment Collection	\$22.0	\$21.6
21 Total Dollar Value of Program	\$45.9	\$40.3

Table 5: Scenario B Assumption and Results Compared to Best Estimate²⁸

Note that in all scenarios, under the proposed policy, the premium rates for the individual and small group markets are lower than rates in an environment with no reinsurance program in place.

²⁸ Ibid.