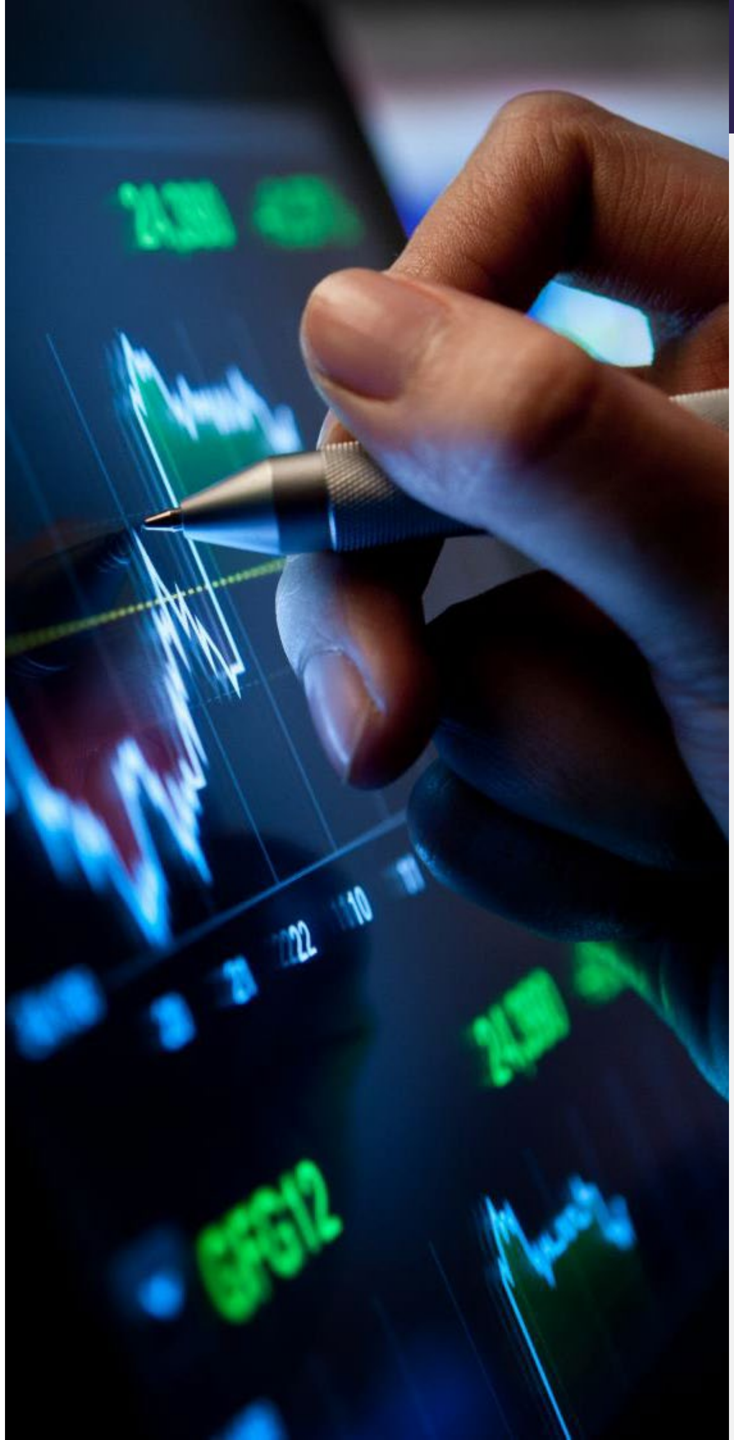
Maine Bureau of Insurance (BOI)

MGARA Sustainability Analysis Public Meeting

November 4, 2025

Agenda

- Get to Know Wakely Team
- Maine's 1332 Waiver Overview
- Goals of MGARA Sustainability Analysis
- Analysis Approach
- Comments and Questions



About Wakely Consulting Group, an HMA Company

- **Deep 1332 Waiver Expertise** Currently, support 1332 waiver programs in seven states. Wakely has been a part of eight successful 1332 waiver applications, including initial waivers, amendment waivers, and renewal waivers.
- **Wakely** has extensive expertise with setting annual parameters and assessment for the reinsurance program, fulfilling the quarterly and annual CMS reporting requirements, including the pass-through report, and other analyses.
- **Policy Analytics Experience** Wakely provides additional support to state clients to help mitigate program risk when faced with unanticipated regulatory changes or other external factors.
- **Multi-disciplinary Expertise** Wakely and HMA consultants have unmatched multi-disciplinary experience with 1332 waiver programs. The project team includes several consultants with direct ACA marketplace and 1332 waiver experience at CMS, state ACA policy and marketplace operational experience, and several actuaries specializing in state affordability programs and 1332 waivers.

MGARA Sustainability Project Team

Michael L. Cohen, PhD

Principal

Lina Choudhry Rashid

Principal

Ksenia Whittal, FSA, MAAA

Senior Consulting Actuary

Fredrick Quiram, ASA

Consulting Actuary

Maine's 1332 Waiver Overview

- Section 1332 of the Affordable Care Act (ACA) allows states to implement policies to lower the cost of health insurance using state and federal funds.
- The revised reinsurance program under the 1332 waiver, administered by the Maine Guaranteed Access Reinsurance Association (MGARA), took effect in Calendar Year (CY) 2019, and was amended in 2022 to accommodate the merged market and operate on a retrospective basis for CY 2023.*
- The MGARA board sets the attachment points and co-insurance rate each year.
  - In 2026, reinsurance program reimburses carriers for **60%** of annual member **claims between $135,000 and $275,000.**
  - Lowered individual premiums by 7% - 14% from 2019 to 2023.
  - Lowered small group premiums by 6% in 2023.
  - Lowered merged market premiums 6-7% in 2024 – 2026.

*Prospective model reimburses issuers for designated "high-risk" individuals who are identified through medical codes or claims vs retrospective model reimburses issuers based on all enrollees claims cost, regardless of health care condition or advance designation.

Source: CCIIO Data Brief on Section 1332 Waivers

Maine’s 1332 Waiver Overview

- MGARA program funding consists of:
  - State assessment of **$4 PMPM** applies to all commercial health insurance (excludes Medicare, Medicaid, and federal employees’ health benefit program), has been unchanged since 2012 (well before 1332 waiver)
    - State collects ~$27 million annually through assessment.
    - Statute allows MGARA Board to increase assessment by up to $2 PMPM.
  - Federal pass-through funds from reduction in Advance Premium Tax Credits (APTC)
- Expiration of ePTCs in 2026 is estimated to reduce the number of subsidized members by 9,000 in 2026, a 15% reduction
  - Federal passthrough funding will be reduced as a result.

Year	2022	2023	2024	2025	2026*
Pass-through Funding	$43.8M	$61.4M	$45.7M	$43.4M	$24.4M
Individual Enrollment	70.4k	69.6k	68.2k	70.7k	
Small Group Enrollment	52.3k	51.0k	51.5k	40.8k	

*2026 Pass-through funding is an estimate

Source: 4.8 Million People Will Lose Coverage in 2026 If Enhanced Premium Tax Credits Expire
Source: Maine 940 Reports

Request from Joint Standing Committee on Health Coverage, Insurance and Financial Services

Maine BOI to convene stakeholder group to analyze MGARA long-term value and sustainability

Include input from health insurance carriers, providers, consumers, Marketplace representative and actuarial experts

Wakely Consulting Group is undertaking the study in collaboration with Maine BOI

Goals of Sustainability Analysis

- **Address Challenges Moving Forward and Stakeholder concerns:**
  - Sustainability of the Reinsurance Program and Reduction of MGARA value
  - Strain on program surplus, and funding, especially given market changes
- **Understand evolving market dynamics:**
  - Market Data collection (with and without waiver):
    - Benchmark (second lowest silver) premium rates~~,~~
    - Risk pool morbidity
    - Enrollment
  - Program Revenue (assessment by market, pass-through, reserves)
  - Program Expenses (administrative, reinsurance eligible payments)
  - Market competitiveness, financial performance of issuers
  - Impact of external events / regulatory changes etc.
- **Review of MGARA** program past performance successes and challenges, assess future risk and uncertainties
- **Recommend funding mechanisms, program structure, or other state initiatives** and evaluate future impacts to ensure longevity of proposed options for MGARA

Analysis Approach and Timeline

Task	Data Sources	Timing	Status
Data collection	Health Insurance Carriers, ME BOI, MGARA Board	End of October	Complete
Hold public stakeholder meeting, gather input		Early November	In progress
Historical and current market landscape analysis		Middle of November	In progress
Review of MGARA program performance **Recommend funding mechanisms**		End of November	
Hold meeting to share draft findings & incorporate feedback **Actuarial analysis of future impacts of proposed funding options**		Middle of December	
Deliver final report, present key takeaways		Early January	

QUESTIONS AND COMMENTS

PLEASE SUBMIT WRITTEN COMMENTS/FEEDBACK TO THE FOLLOWING EMAIL ADDRESS BY **TUESDAY 11/18:**

INSURANCECOMMENT.PFR@MAINE.GOV

Thank you