

Appendix D: **Notice for Public Comment Period and Public Forum**



Notice of Public Comment Period and Public Hearings on Proposed Section 1332 Waiver Amendment Application

The Maine Bureau of Insurance will hold virtual public hearings and accept public comments on a proposed application to the federal government for an amendment to its waiver under Section 1332 of the Patient Protection and Affordable Care Act to support extending the Maine Guaranteed Access Reinsurance Association (MGARA) reinsurance program to a pooled individual and small group market and transitioning to a retrospective claims cost-based reinsurance program.

Background

Section 1332 of the federal Patient Protection and Affordable Care Act permits a state to apply for a waiver (1332 waiver) to pursue innovative strategies to provide its residents with access to quality, affordable health insurance.

In 2018, Maine received federal approval for a 1332 waiver in order to allow MGARA to operate a reinsurance program for the individual health insurance market in Maine with the support of federal pass-through funding, beginning January 1, 2019. The goal of the reinsurance program was to bring increased certainty and stability to Maine's individual health insurance market through a positive impact on premium levels. Since the waiver became effective, average premium rates for the individual market have moderated each year: 1.1% in 2019, -0.5% in 2020, and -12.5% in 2021.

In recent years, the small group market in Maine has experienced significant declines in membership, due in part to high medical cost trends and associated premium increases. 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. Because of this trend, Maine has been considering ways to help stabilize and lower premiums for the small group market.

In 2020, the Maine Legislature enacted a law that allows the Superintendent of Insurance to pool the individual and small group markets into a single risk pool and to seek federal approval of an amendment to its 1332 waiver that would allow extension of the MGARA reinsurance program to the pooled market and transition of the reinsurance program from a prospective model to a retrospective model. The change is contingent upon federal approval of the proposed 1332 waiver amendment.

Under the proposed 1332 waiver amendment, Maine would continue to receive federal pass-through funding to support the reinsurance program in the amount of the savings that would be generated from the resulting reduction in premium tax credits. Extending the MGARA reinsurance program to a pooled individual and small group health insurance market would

bring increased certainty and stability to small group health insurance in Maine through a positive effect on premium levels. This 1332 waiver amendment, if approved, would be effective as of January 1, 2022, for a period of five years.

More detailed information regarding the proposed 1332 waiver amendment application may be viewed at the following link: www.maine.gov/pfr/insurance/mgara/index.html

Public Hearings

Due to the COVID-19 public health emergency in Maine, the federal government has approved the state's request to modify public notice requirements to allow the state to conduct the required public hearings virtually. Therefore, the Bureau of Insurance will hold virtual public hearings on the following days:

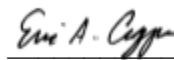
- **March 22, 2021, 11:00 am - 12:30 pm**
- **March 29, 2021, 10:00 am - 11:30 am**

Instructions for registering for and attending the hearing remotely, by either audio-visual link or telephone, are on the Bureau of Insurance [website](#).

All interested persons are invited to provide oral comments at the hearings or to submit written comments. Written comments must be received no later than **April 12, 2021 at 4:30 p.m.** and should be addressed to Brittnee Greenleaf at Brittnee.L.Greenleaf@maine.gov or at 34 State House Station, Augusta, ME 04333-0034.

Individuals in need of auxiliary aid for effective communication in the hearing are invited to make their needs and preference known to Ms. Greenleaf either by e-mail or telephone at (207) 624-8491 sufficiently in advance of the hearings so that appropriate arrangements can be made.

DATED: March 12, 2021



Eric A. Cioppa
Superintendent of Insurance



Notice of Public Comment Period Extension on Proposed Section 1332 Waiver Amendment Application

On March 12, 2021, the Maine Bureau of Insurance issued a [Notice](#) of Public Comment Period and Public Hearings on a proposed Section 1332 Waiver Amendment Application. The Notice invited written comments from the public by April 12, 2021 at 4:30 p.m. The Bureau is extending the deadline for written comments, as set forth below.

As originally drafted, the 1332 waiver amendment application proposed to extend MGARA reinsurance to a pooled individual and small group market and transition the program to a retrospective claims cost-based model, beginning January 1, 2022. Maine is now delaying the pooling of the individual and small group markets until 2023. Therefore, the proposal to extend MGARA reinsurance to a pooled individual and small group market is delayed until 2023. Maine still intends to proceed with the proposal to transition MGARA reinsurance to a retrospective model beginning January 1, 2022. The draft application is available at the following link: www.maine.gov/pfr/insurance/mgara/index.html.

The delay of part of the 1332 waiver amendment is for two reasons. First, over the last year, the COVID-19 pandemic has created a public health emergency that has had a major economic impact in this state. Significant resources have been expended by the State and small businesses in responding to this pandemic, and it has introduced significant disruption to insurance markets. The full scope of the pandemic's economic impact, particularly for small businesses, is still unknown. The delay will allow the State to better understand the economic impact of COVID-19 and how best to proceed with its plan to improve access and affordability of coverage and avoid adverse consequences.

Second, on March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into law. This legislation makes significant improvements to the affordability of Marketplace health coverage by increasing premium tax credits to help pay for coverage and expanding eligibility for those tax credits. The substantial changes in the structure of the tax credits make estimating the impact of the pooled markets and Federal pass-through amounts challenging. The delay will allow the State to fully analyze the legislation's impact and determine the best way to maximize this opportunity.

Written comments will now be accepted until **April 19, 2021 at 4:30 p.m.** and should be addressed to Brittnee Greenleaf at Brittnee.L.Greenleaf@maine.gov or at 34 State House Station, Augusta, ME 04333-0034.

DATED: March 30, 2021

Eric A. Cioppa
Superintendent of Insurance



DEPARTMENT OF

**Professional &
Financial Regulation**

STATE OF MAINE

- OFFICE OF SECURITIES
- BUREAU OF INSURANCE
- CONSUMER CREDIT PROTECTION
- BUREAU OF FINANCIAL INSTITUTIONS
- OFFICE OF PROF. AND OCC. REGULATION

**Notice of Public Forum on
Gorman 1332 Waiver Actuarial and Economic Report
January 28, 2022 1:00 pm**

The Maine Bureau of Insurance (MBOI) will hold a virtual public forum to present the updated Gorman 1332 Waiver Actuarial and Economic Report on Friday, January 28, 2022 at 1:00 pm.

Background

The State of Maine will be applying for a State Innovation Waiver under Section 1332 of the federal Patient Protection and Affordable Care Act to merge the individual and small group health insurance markets in Maine and extend the operation of the Maine Guaranteed Access Reinsurance Association (MGARA) reinsurance program to small employer coverage.

The updated Gorman Actuarial and Economic report along with detailed information regarding the Section 1332 Waiver and MGARA may be viewed on the Maine Bureau of Insurance website maine.gov/pfr/insurance/mgara and at the MGARA website <https://mgara.org>.

Virtual Meeting

Due to the COVID-19 pandemic, the Bureau will hold this meeting virtually using Microsoft Teams. Please visit the [Public Events page](#) of the Bureau's website to register to attend either by audio-visual link or by telephone.

Individuals in need of auxiliary aid for effective communication in the hearing are invited to make their needs and preference known to Ms. Greenleaf either by e-mail or telephone at (207) 624-8491 sufficiently in advance of the meeting so that appropriate arrangements can be made.

DATED: January 12, 2022

Eric A. Cioppa
Superintendent of Insurance