



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: <http://www.maine.gov/pfr/insurance/news-public-notice/other-news-and-updates/mgara-information>

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