

## Appendix H: Actuarial and Economic Appendix

**1332 Waiver**  
**Actuarial and Economic Appendix to**  
**Report Submitted on February 10, 2022**

**Prepared for the Maine Bureau of**  
**Insurance**

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## 1. Executive Summary

Gorman Actuarial, Inc. has developed this Appendix based on comments received from the Centers for Medicare and Medicaid Services (CMS) on March 7, 2022.<sup>1</sup> This Appendix supplements the 1332 Waiver Actuarial and Economic Report submitted by the State of Maine to CMS on February 10, 2022.

## 2. Individual and Small Group Market Membership Projections under Three Scenarios

The three tables below display projected membership in the individual and small group markets under three scenarios: (1) Table 1 shows no waiver (i.e., baseline); (2) Table 2 shows the waiver with pooled market and reinsurance program; and (3) Table 3 shows the current individual market reinsurance program. The no waiver and with waiver enrollment is consistent with the information included in the Actuarial and Economic Report, while the enrollment under the current individual market reinsurance program are new projections as requested by CMS. The projections display membership for each market segment (individual and small group). Individual market membership is further segmented into members obtaining coverage through the health insurance exchange – with and without advance premium tax credits (APTC) – and members obtaining coverage off the exchange.

For each year of the ten-year projection period, membership across the combined individual and small group markets is projected to be slightly higher under a waiver with pooled market and reinsurance program than under the “no waiver” and the “current individual market reinsurance program” scenarios. The waiver helps stabilize the newly merged market by distributing the benefits of a reinsurance program to both the small group and individual market, rather than the current arrangement which concentrates the reinsurance program’s benefits to a subset of the individual market (i.e., individual purchasers not receiving APTC) and does not apply to the small group market. Under all scenarios, there is no change in projected membership for individuals that obtain coverage through the exchange and receive APTC. This is due to the APTC structure, which largely shields members from changes in premiums.

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<sup>1</sup> The projections in the tables may not necessarily sum to the total lines due to rounding.

<b>Individual Market Membership Projections- Baseline (No Waiver)</b>						
		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>						
On Exchange						
	Members w/APTC	41,952	41,952	41,952	41,952	41,952
	Members w/out APTC	<u>9,319</u>	<u>8,978</u>	<u>8,738</u>	<u>8,507</u>	<u>8,287</u>
	Total On Exchange	51,271	50,930	50,690	50,459	50,239
Off Exchange	Total Off Exchange	7,490	7,216	7,011	6,812	6,622
Total On & Off Exchange		58,761	58,146	57,701	57,271	56,861
		<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>						
On Exchange						
	Members w/APTC	41,952	41,952	41,952	41,952	41,952
	Members w/out APTC	<u>8,081</u>	<u>7,886</u>	<u>7,699</u>	<u>7,522</u>	<u>7,352</u>
	Total On Exchange	50,033	49,838	49,651	49,474	49,304
Off Exchange	Total Off Exchange	6,445	6,275	6,113	5,959	5,811
Total On & Off Exchange		56,478	56,113	55,765	55,432	55,115
<b>Small Group Market Membership Projections- Baseline (No Waiver)</b>						
		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>		46,824	45,741	44,946	44,148	43,365
		<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>		42,616	41,881	41,160	40,452	39,759
<b>Combined Individual and Small Group Market Membership Projections- Baseline (No Waiver)</b>						
		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>		105,585	103,888	102,647	101,419	100,227
		<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>		99,094	97,993	96,924	95,885	94,874

**Table 1: Individual and Small Group Market Membership Projections- Baseline (No Waiver)<sup>2</sup>**

<sup>2</sup> Table 13 and Table 18, 1332 Waiver Actuarial and Economic Report, Prepared for the Maine Bureau of Insurance, submitted on February 10, 2022.

<b>Individual Market Membership Projections- After Waiver with Pooled Market and Reinsurance</b>						
		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>						
On Exchange						
	Members w/APTC	41,952	41,952	41,952	41,952	41,952
	Members w/out APTC	<u>10,205</u>	<u>9,612</u>	<u>9,353</u>	<u>9,104</u>	<u>8,866</u>
	Total On Exchange	52,157	51,564	51,305	51,056	50,818
Off Exchange	Total Off Exchange	8,203	7,727	7,505	7,290	7,085
Total On & Off Exchange		60,361	59,292	58,811	58,346	57,903
		<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>						
On Exchange						
	Members w/APTC	41,952	41,952	41,952	41,952	41,952
	Members w/out APTC	<u>8,644</u>	<u>8,433</u>	<u>8,232</u>	<u>8,041</u>	<u>7,859</u>
	Total On Exchange	50,596	50,385	50,184	49,993	49,811
Off Exchange	Total Off Exchange	6,893	6,711	6,536	6,369	6,210
Total On & Off Exchange		57,490	57,096	56,720	56,362	56,020
<b>Small Group Market Membership Projections- After Waiver with Pooled Market and Reinsurance</b>						
		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>						
		49,302	47,352	46,532	45,709	44,901
		<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>						
		44,129	43,371	42,627	41,898	41,183
<b>Combined Individual and Small Group Market Membership Projections- After Waiver with Pooled Market Reinsurance</b>						
		<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>						
		109,663	106,643	105,343	104,054	102,805
		<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>						
		101,618	100,466	99,348	98,260	97,203

**Table 2: Individual and Small Group Market Membership Projections- After Waiver<sup>3</sup>**

<sup>3</sup> Table 15 and Table 20, 1332 Waiver Actuarial and Economic Report, Prepared for the Maine Bureau of Insurance, submitted on February 10, 2022.

<b>Individual Market Membership Projections- Current Reinsurance Program</b>						
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	
<b>Average Annual Enrollment</b>						
On Exchange						
Members w/APTC	41,952	41,952	41,952	41,952	41,952	41,952
Members w/out APTC	<u>11,188</u>	<u>10,297</u>	<u>10,003</u>	<u>9,718</u>	<u>9,446</u>	<u>9,446</u>
Total On Exchange	53,140	52,249	51,955	51,670	51,398	51,398
Off Exchange						
Total Off Exchange	8,992	8,276	8,040	7,811	7,593	7,593
Total On & Off Exchange	62,132	60,525	59,995	59,481	58,991	58,991
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	
<b>Average Annual Enrollment</b>						
On Exchange						
Members w/APTC	41,952	41,952	41,952	41,952	41,952	41,952
Members w/out APTC	<u>9,193</u>	<u>8,951</u>	<u>8,719</u>	<u>8,499</u>	<u>8,288</u>	<u>8,288</u>
Total On Exchange	51,145	50,903	50,671	50,451	50,240	50,240
Off Exchange						
Total Off Exchange	7,389	7,194	7,008	6,831	6,661	6,661
Total On & Off Exchange	58,533	58,097	57,680	57,282	56,901	56,901
<b>Small Group Market Membership Projections- Baseline (No Waiver)</b>						
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	
<b>Average Annual Enrollment</b>						
	46,824	45,741	44,946	44,148	43,365	
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	
<b>Average Annual Enrollment</b>						
	42,616	41,881	41,160	40,452	39,759	
<b>Combined Individual and Small Group Market Membership Projections- Individual Market Current Reinsurance</b>						
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	
<b>Average Annual Enrollment</b>						
	108,955	106,267	104,941	103,629	102,356	
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	
<b>Average Annual Enrollment</b>						
	101,149	99,977	98,839	97,734	96,660	

**Table 3: Individual and Small Group Market Membership Projections- Current Reinsurance Program for the Individual Market**

### 3. Individual Market Membership Projections by Income Level

In this section, the individual market membership projections are grouped by federal poverty level (FPL) under each of the three scenarios. As noted in Section 2, membership of individuals eligible for APTC (i.e., those earning less than 400% FPL) is not projected to change under any of the scenarios due to the APTC structure, which largely shields members from changes in premiums.<sup>4</sup>

For individuals with income above 400% FPL, and therefore not eligible for APTC under the Affordable Care Act, membership under the waiver scenario (Table 5) is projected to be 18,409 in CY 2023. Compared to the baseline no waiver scenario (Table 4), approximately 1,600 more individuals are project to be covered by comprehensive health insurance in CY 2023.

Under the current reinsurance program (Table 6), which applies only to the individual market, more enrollees within the individual market with income above 400% FPL are projected to be covered than under the proposed waiver. In CY 2023, membership with income above 400% FPL under the current reinsurance program is projected to be 20,180 (or 1,771 more than under the waiver scenario).

As detailed in Section 2, the combined individual and small group market membership under the waiver scenario is projected to be slightly greater than the combined membership under the current reinsurance program.

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<sup>4</sup> GA utilized enrollment distributions by FPL as of March 2021 and applied this to the enrollment projections shown in Section 2 to develop enrollment projections by FPL.

<b>Individual Market Membership Projections- Baseline (No Waiver)</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>					
138% FPL to 150% FPL	5,993	5,993	5,993	5,993	5,993
>150% to ≤200% of FPL	13,626	13,626	13,626	13,626	13,626
>200% to ≤250% of FPL	10,184	10,184	10,184	10,184	10,184
>250% to ≤300% of FPL	5,725	5,725	5,725	5,725	5,725
>300% to ≤400% of FPL	6,424	6,424	6,424	6,424	6,424
>400% of FPL	<u>16,809</u>	<u>16,194</u>	<u>15,749</u>	<u>15,319</u>	<u>14,909</u>
Total	58,761	58,146	57,701	57,271	56,861
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>					
138% FPL to 150% FPL	5,993	5,993	5,993	5,993	5,993
>150% to ≤200% of FPL	13,626	13,626	13,626	13,626	13,626
>200% to ≤250% of FPL	10,184	10,184	10,184	10,184	10,184
>250% to ≤300% of FPL	5,725	5,725	5,725	5,725	5,725
>300% to ≤400% of FPL	6,424	6,424	6,424	6,424	6,424
>400% of FPL	<u>14,526</u>	<u>14,161</u>	<u>13,813</u>	<u>13,480</u>	<u>13,163</u>
Total	56,478	56,113	55,765	55,432	55,115

**Table 4: Individual Market Membership Projections by Income Level- Baseline (No Waiver)**

<b>Individual Market Membership Projections- After Waiver with Pooled Market and Reinsurance</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>					
138% FPL to 150% FPL	5,993	5,993	5,993	5,993	5,993
>150% to ≤200% of FPL	13,626	13,626	13,626	13,626	13,626
>200% to ≤250% of FPL	10,184	10,184	10,184	10,184	10,184
>250% to ≤300% of FPL	5,725	5,725	5,725	5,725	5,725
>300% to ≤400% of FPL	6,424	6,424	6,424	6,424	6,424
>400% of FPL	<u>18,409</u>	<u>17,340</u>	<u>16,859</u>	<u>16,394</u>	<u>15,951</u>
Total	60,361	59,292	58,811	58,346	57,903
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>					
138% FPL to 150% FPL	5,993	5,993	5,993	5,993	5,993
>150% to ≤200% of FPL	13,626	13,626	13,626	13,626	13,626
>200% to ≤250% of FPL	10,184	10,184	10,184	10,184	10,184
>250% to ≤300% of FPL	5,725	5,725	5,725	5,725	5,725
>300% to ≤400% of FPL	6,424	6,424	6,424	6,424	6,424
>400% of FPL	<u>15,538</u>	<u>15,144</u>	<u>14,768</u>	<u>14,410</u>	<u>14,068</u>
Total	57,490	57,096	56,720	56,362	56,020

**Table 5: Individual Market Membership Projections by Income Level- After Waiver**

<b>Individual Market Membership Projections- Current Reinsurance Program</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>					
138% FPL to 150% FPL	5,993	5,993	5,993	5,993	5,993
>150% to ≤200% of FPL	13,626	13,626	13,626	13,626	13,626
>200% to ≤250% of FPL	10,184	10,184	10,184	10,184	10,184
>250% to ≤300% of FPL	5,725	5,725	5,725	5,725	5,725
>300% to ≤400% of FPL	6,424	6,424	6,424	6,424	6,424
>400% of FPL	<u>20,180</u>	<u>18,573</u>	<u>18,043</u>	<u>17,529</u>	<u>17,039</u>
Total	62,132	60,525	59,995	59,481	58,991
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>					
138% FPL to 150% FPL	5,993	5,993	5,993	5,993	5,993
>150% to ≤200% of FPL	13,626	13,626	13,626	13,626	13,626
>200% to ≤250% of FPL	10,184	10,184	10,184	10,184	10,184
>250% to ≤300% of FPL	5,725	5,725	5,725	5,725	5,725
>300% to ≤400% of FPL	6,424	6,424	6,424	6,424	6,424
>400% of FPL	<u>16,581</u>	<u>16,145</u>	<u>15,728</u>	<u>15,330</u>	<u>14,949</u>
Total	58,533	58,097	57,680	57,282	56,901

**Table 6: Individual Market Membership Projections by Income Level- Current Reinsurance Program for the Individual Market**

#### 4. Individual Market Membership Projections by Metallic Tier

In this section, the individual market membership is grouped by metallic tier under each of the scenarios. As noted in Sections 2 and 3, because the APTC structure shields members from changes in premiums, individuals enrolled through the marketplace that receive APTC are not expected to change their purchasing patterns over the course of the waiver period.<sup>5</sup>

The impact of increasing premiums is most relevant for individuals that are not eligible for APTC. Under all scenarios, membership is projected to decline for all metallic tiers over time except for those enrolled in Silver CSR plans.<sup>6</sup>

<sup>5</sup> GA utilized March 2021 enrollment distributions by metallic tier and applied this to the enrollment projections described in Section 2 to develop enrollment projections by metallic tier.

<sup>6</sup> The Bronze category includes both APTC and non-APTC enrollees. The Silver category includes both APTC (but not those eligible for CSR) and non-APTC enrollees. Membership is expected to decline over time for non-APTC enrollees but APTC enrollment is not expected to change.

<b>Individual Market Membership Projections- Baseline (No Waiver)</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>					
Bronze	31,734	31,381	31,126	30,879	30,645
Silver Non-CSR	6,332	6,203	6,108	6,017	5,930
Silver CSR	17,065	17,065	17,065	17,065	17,065
Gold	2,717	2,618	2,547	2,478	2,412
Platinum	0	0	0	0	0
Catastrophic	<u>913</u>	<u>879</u>	<u>855</u>	<u>832</u>	<u>810</u>
Total	58,761	58,146	57,701	57,271	56,861
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>					
Bronze	30,425	30,216	30,016	29,826	29,644
Silver Non-CSR	5,848	5,770	5,696	5,625	5,557
Silver CSR	17,065	17,065	17,065	17,065	17,065
Gold	2,351	2,292	2,237	2,184	2,133
Platinum	0	0	0	0	0
Catastrophic	<u>789</u>	<u>770</u>	<u>751</u>	<u>733</u>	<u>716</u>
Total	56,478	56,113	55,765	55,432	55,115

**Table 7: Individual Market Membership Projections by Metallic Tier- Baseline (No Waiver)**

<b>Individual Market Membership Projections- After Waiver with Pooled Market and Reinsurance</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>					
Bronze	32,653	32,039	31,763	31,497	31,243
Silver Non-CSR	6,668	6,443	6,341	6,242	6,148
Silver CSR	17,065	17,065	17,065	17,065	17,065
Gold	2,976	2,803	2,726	2,651	2,581
Platinum	0	0	0	0	0
Catastrophic	<u>999</u>	<u>941</u>	<u>915</u>	<u>890</u>	<u>867</u>
Total	60,361	59,292	58,811	58,346	57,903
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>					
Bronze	31,006	30,780	30,565	30,360	30,164
Silver Non-CSR	6,060	5,976	5,896	5,819	5,746
Silver CSR	17,065	17,065	17,065	17,065	17,065
Gold	2,515	2,452	2,391	2,334	2,280
Platinum	0	0	0	0	0
Catastrophic	<u>844</u>	<u>823</u>	<u>803</u>	<u>784</u>	<u>766</u>
Total	57,490	57,096	56,720	56,362	56,020

**Table 8: Individual Market Membership Projections by Metallic Tier- After Waiver**

<b>Individual Market Membership Projections- Current Reinsurance Program</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Average Annual Enrollment</b>					
Bronze	33,670	32,747	32,443	32,148	31,866
Silver Non-CSR	7,039	6,702	6,591	6,483	6,380
Silver CSR	17,065	17,065	17,065	17,065	17,065
Gold	3,262	3,002	2,917	2,834	2,754
Platinum	0	0	0	0	0
Catastrophic	<u>1,096</u>	<u>1,008</u>	<u>980</u>	<u>952</u>	<u>925</u>
Total	62,132	60,525	59,995	59,481	58,991
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Average Annual Enrollment</b>					
Bronze	31,604	31,353	31,113	30,885	30,666
Silver Non-CSR	6,284	6,193	6,105	6,022	5,942
Silver CSR	17,065	17,065	17,065	17,065	17,065
Gold	2,680	2,610	2,542	2,478	2,417
Platinum	0	0	0	0	0
Catastrophic	<u>900</u>	<u>876</u>	<u>854</u>	<u>832</u>	<u>812</u>
Total	58,533	58,097	57,680	57,282	56,901

**Table 9: Individual Market Membership Projections by Metallic Tier- Current Reinsurance Program for the Individual Market**

## 5. Individual and Small Group Market Membership and Premium Projections under Three Scenarios

The tables in this section provide detailed projections on membership, average premiums and total annual premiums under each of the three scenarios: (1) no waiver (Table 10); (2) waiver with pooled market and reinsurance program (Table 11); and (3) current individual market reinsurance program (Table 12). For each year of the waiver period, the tables provide detailed information on:

- Membership for the individual market purchased through the exchange, with individual line items for members with APTC and members without APTC;
- Membership for the individual market purchase off the exchange;
- Small group market membership;
- For individuals with APTC, average premiums separated into the amount the member pays and the amount paid through APTC;
- Average premiums for individuals not eligible for APTC;
- Average premiums for small group market members;

- Total premiums for individuals with APTC, separated into the amount paid by the member and the amount paid through APTC;
- Total premiums for individuals not eligible for APTC; and
- Total premiums for small group market members.

In addition, Table 13 shows the deficit neutrality projections for the current individual market reinsurance program.

The no waiver (baseline) and with waiver projections are consistent with the information submitted in the Actuarial and Economic report submitted on February 10, 2022, while the projections under the current individual market reinsurance program are new as requested by CMS.<sup>7</sup>

For CY 2023, GA assumed an additional \$8.6 million in reinsurance program funding that was received by Maine in 2021 as a result of the American Rescue Plan Act (ARPA), which further reduces premiums in the current individual market reinsurance program.<sup>8</sup> This is consistent with the assumptions used for the projections for the waiver scenario in the Actuarial and Economic report submitted on February 10, 2022. This funding, in conjunction with the \$4.00 PMPM state assessment and federal pass-through funds generated from the reduction in PTCs, are used to fund the current individual market reinsurance program in 2023.

In subsequent years, the reinsurance funding will be supported by the \$4.00 PMPM state assessment and federal pass-through funding from the reduction in PTCs. Based on current federal law, GA assumes the ACA's premium subsidy schedule is in effect for the duration of the waiver period (i.e., CY 2023 through CY 2032) and enhanced subsidies provided under ARPA are not extended beyond CY 2022. In addition, GA does not assume any additional ARPA-related funds, beyond the \$8.6 million noted above, will be available to support the current individual market reinsurance program in CY 2024 and beyond. This assumption is consistent with the assumptions used for the projections for the waiver scenario in the Actuarial and Economic Report.

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<sup>7</sup> GA utilized a similar approach to develop premium projections under the current reinsurance program for the individual market as described in the Actuarial and Economic Report submitted on February 10, 2022. This approach relied on actual CY 2020 premiums, 2021 and 2022 rate filing information, National Health Expenditures trends for 2023 and beyond, and adjustments for morbidity changes.

<sup>8</sup> CMS Website: [https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section\\_1332\\_State\\_Innovation\\_Waivers-#Section\\_1332\\_State\\_Application\\_Waiver\\_Applications](https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Section_1332_State_Innovation_Waivers-#Section_1332_State_Application_Waiver_Applications)

<b>2023-2027 Baseline (without Waiver)</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Individual Market Average Annual Enrollment</b>					
On Exchange					
Members w/APTC	41,952	41,952	41,952	41,952	41,952
Members w/out APTC	<u>9,319</u>	<u>8,978</u>	<u>8,738</u>	<u>8,507</u>	<u>8,287</u>
Total On Exchange	51,271	50,930	50,690	50,459	50,239
Off Exchange					
Total Off Exchange	7,490	7,216	7,011	6,812	6,622
Total On & Off Exchange	58,761	58,146	57,701	57,271	56,861
<b>Small Group Market Average Annual Enrollment</b>					
	46,824	45,741	44,946	44,148	43,365
<b>Individual Market Average Premium PMPM</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$129.50	\$132.09	\$134.73	\$137.42	\$140.17
<u>APTC Share of Premium</u>	<u>\$530.10</u>	<u>\$561.80</u>	<u>\$590.39</u>	<u>\$620.69</u>	<u>\$652.43</u>
Gross Premiums	\$659.59	\$693.89	\$725.12	\$758.11	\$792.61
Members w/out APTC	<u>\$536.87</u>	<u>\$564.79</u>	<u>\$590.20</u>	<u>\$617.06</u>	<u>\$645.14</u>
Total On Exchange	\$637.29	\$671.14	\$701.86	\$734.33	\$768.28
Off Exchange					
Total Off Exchange	\$630.43	\$663.22	\$693.06	\$724.60	\$757.56
Total On & Off Exchange	\$636.41	\$670.15	\$700.79	\$733.17	\$767.03
<b>Small Group Market Average Premium PMPM</b>					
	\$580.62	\$610.82	\$638.30	\$667.34	\$697.71
<b>Individual Market Total Annual Premium</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$65,192,719	\$66,496,573	\$67,826,505	\$69,183,035	\$70,566,695
<u>APTC Share of Premium</u>	<u>\$266,862,750</u>	<u>\$282,825,780</u>	<u>\$297,215,355</u>	<u>\$312,468,229</u>	<u>\$328,449,701</u>
Gross Premiums	\$332,055,469	\$349,322,354	\$365,041,860	\$381,651,264	\$399,016,397
Members w/out APTC	<u>\$60,036,797</u>	<u>\$60,845,738</u>	<u>\$61,886,570</u>	<u>\$62,990,196</u>	<u>\$64,155,131</u>
Total On Exchange	\$392,092,266	\$410,168,091	\$426,928,430	\$444,641,460	\$463,171,528
Off Exchange					
Total Off Exchange	\$56,664,099	\$57,432,366	\$58,310,874	\$59,232,212	\$60,201,685
Total On & Off Exchange	\$448,756,365	\$467,600,458	\$485,239,304	\$503,873,672	\$523,373,213
<b>Small Group Market Total Annual Premium</b>					
	\$326,243,308	\$335,275,188	\$344,270,940	\$353,542,468	\$363,075,802

2028-2032 Baseline (without Waiver)						
		2028	2029	2030	2031	2032
<b>Individual Market Average Annual Enrollment</b>						
On Exchange						
	Members w/APTC	41,952	41,952	41,952	41,952	41,952
	Members w/out APTC	<u>8,081</u>	<u>7,886</u>	<u>7,699</u>	<u>7,522</u>	<u>7,352</u>
	Total On Exchange	50,033	49,838	49,651	49,474	49,304
Off Exchange						
	Total Off Exchange	6,445	6,275	6,113	5,959	5,811
Total On & Off Exchange		56,478	56,113	55,765	55,432	55,115
<b>Small Group Market Average Annual Enrollment</b>		42,616	41,881	41,160	40,452	39,759
<b>Individual Market Average Premium PMPM</b>						
On Exchange						
	Members w/APTC					
	Member Share of Premium	\$142.98	\$145.84	\$148.75	\$151.73	\$154.76
	<u>APTC Share of Premium</u>	<u>\$685.30</u>	<u>\$719.71</u>	<u>\$755.74</u>	<u>\$793.47</u>	<u>\$832.97</u>
	Gross Premiums	\$828.27	\$865.54	\$904.49	\$945.20	\$987.73
	Members w/out APTC	<u>\$674.17</u>	<u>\$704.50</u>	<u>\$736.21</u>	<u>\$769.34</u>	<u>\$803.96</u>
	Total On Exchange	\$803.38	\$840.06	\$878.40	\$918.46	\$960.33
Off Exchange						
	Total Off Exchange	\$791.65	\$827.28	\$864.51	\$903.41	\$944.06
Total On & Off Exchange		\$802.04	\$838.63	\$876.88	\$916.84	\$958.61
<b>Small Group Market Average Premium PMPM</b>		\$729.11	\$761.92	\$796.20	\$832.03	\$869.47
<b>Individual Market Total Annual Premium</b>						
On Exchange						
	Members w/APTC					
	Member Share of Premium	\$71,978,029	\$73,417,590	\$74,885,942	\$76,383,661	\$77,911,334
	<u>APTC Share of Premium</u>	<u>\$344,994,105</u>	<u>\$362,318,291</u>	<u>\$380,458,054</u>	<u>\$399,450,814</u>	<u>\$419,335,693</u>
	Gross Premiums	\$416,972,135	\$435,735,881	\$455,343,995	\$475,834,475	\$497,247,026
	Members w/out APTC	<u>\$65,378,275</u>	<u>\$66,665,427</u>	<u>\$68,018,472</u>	<u>\$69,439,379</u>	<u>\$70,930,203</u>
	Total On Exchange	\$482,350,410	\$502,401,307	\$523,362,467	\$545,273,854	\$568,177,230
Off Exchange						
	Total Off Exchange	\$61,224,337	\$62,297,194	\$63,421,434	\$64,598,284	\$65,829,019
Total On & Off Exchange		\$543,574,747	\$564,698,501	\$586,783,900	\$609,872,137	\$634,006,248
<b>Small Group Market Total Annual Premium</b>		\$372,856,146	\$382,913,421	\$393,255,813	\$403,891,755	\$414,829,942

**Table 10: 2023-2032 Projections Baseline (No Waiver)<sup>9</sup>**
<sup>9</sup> Table 26, 1332 Waiver Actuarial and Economic Report, Prepared for the Maine Bureau of Insurance, submitted on February 10, 2022.

2023-2027 After Waiver With Pooled Market & Reinsurance					
	2023	2024	2025	2026	2027
<b>Individual Market Average Annual Enrollment</b>					
On Exchange					
Members w/APTC	41,952	41,952	41,952	41,952	41,952
Members w/out APTC	<u>10,205</u>	<u>9,612</u>	<u>9,353</u>	<u>9,104</u>	<u>8,866</u>
Total On Exchange	52,157	51,564	51,305	51,056	50,818
Off Exchange					
Total Off Exchange	8,203	7,727	7,505	7,290	7,085
Total On & Off Exchange	60,361	59,292	58,811	58,346	57,903
<b>Small Group Market Average Annual Enrollment</b>	49,305	47,352	46,532	45,709	44,901
<b>Individual Market Average Premium PMPM</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$126.95	\$129.49	\$132.08	\$134.72	\$137.41
<u>APTC Share of Premium</u>	<u>\$483.17</u>	<u>\$524.69</u>	<u>\$551.54</u>	<u>\$580.00</u>	<u>\$609.83</u>
Gross Premiums	\$610.12	\$654.18	\$683.62	\$714.72	\$747.24
Members w/out APTC	<u>\$490.45</u>	<u>\$526.64</u>	<u>\$550.34</u>	<u>\$575.38</u>	<u>\$601.56</u>
Total On Exchange	\$586.71	\$630.41	\$659.32	\$689.88	\$721.83
Off Exchange					
Total Off Exchange	\$578.18	\$620.59	\$648.52	\$678.02	\$708.87
Total On & Off Exchange	\$585.55	\$629.13	\$657.94	\$688.40	\$720.24
<b>Small Group Market Average Premium PMPM</b>	\$545.92	\$587.09	\$613.51	\$641.42	\$670.61
<b>Individual Market Total Annual Premium</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$63,909,715	\$65,187,909	\$66,491,667	\$67,821,500	\$69,177,930
<u>APTC Share of Premium</u>	<u>\$243,240,990</u>	<u>\$264,143,042</u>	<u>\$277,659,177</u>	<u>\$291,988,207</u>	<u>\$307,003,118</u>
Gross Premiums	\$307,150,704	\$329,330,951	\$344,150,844	\$359,809,707	\$376,181,049
Members w/out APTC	<u>\$60,062,078</u>	<u>\$60,746,119</u>	<u>\$61,769,384</u>	<u>\$62,855,280</u>	<u>\$64,002,648</u>
Total On Exchange	\$367,212,783	\$390,077,070	\$405,920,228	\$422,664,987	\$440,183,697
Off Exchange					
Total Off Exchange	\$56,917,050	\$57,545,655	\$58,409,071	\$59,315,049	\$60,269,330
Total On & Off Exchange	\$424,129,833	\$447,622,725	\$464,329,299	\$481,980,036	\$500,453,027
<b>Small Group Market Total Annual Premium</b>	\$322,998,162	\$333,596,534	\$342,572,765	\$351,823,531	\$361,336,253

2028-2032 After Waiver With Pooled Market & Reinsurance					
	2028	2029	2030	2031	2032
<b>Individual Market Average Annual Enrollment</b>					
On Exchange					
Members w/APTC	41,952	41,952	41,952	41,952	41,952
Members w/out APTC	<u>8,644</u>	<u>8,433</u>	<u>8,232</u>	<u>8,041</u>	<u>7,859</u>
Total On Exchange	50,596	50,385	50,184	49,993	49,811
Off Exchange					
Total Off Exchange	6,893	6,711	6,536	6,369	6,210
Total On & Off Exchange	57,490	57,096	56,720	56,362	56,020
<b>Small Group Market Average Annual Enrollment</b>					
	44,129	43,371	42,627	41,898	41,183
<b>Individual Market Average Premium PMPM</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$140.16	\$142.97	\$145.83	\$148.74	\$151.72
<u>APTC Share of Premium</u>	<u>\$640.71</u>	<u>\$673.04</u>	<u>\$706.90</u>	<u>\$742.36</u>	<u>\$779.49</u>
Gross Premiums	\$780.87	\$816.01	\$852.73	\$891.10	\$931.20
Members w/out APTC	<u>\$628.63</u>	<u>\$656.91</u>	<u>\$686.47</u>	<u>\$717.37</u>	<u>\$749.65</u>
Total On Exchange	\$754.86	\$789.38	\$825.46	\$863.16	\$902.56
Off Exchange					
Total Off Exchange	\$740.77	\$774.11	\$808.94	\$845.35	\$883.39
Total On & Off Exchange	\$753.17	\$787.59	\$823.55	\$861.15	\$900.43
<b>Small Group Market Average Premium PMPM</b>					
	\$700.79	\$732.32	\$765.28	\$799.71	\$835.70
<b>Individual Market Total Annual Premium</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$70,561,489	\$71,972,719	\$73,412,173	\$74,880,417	\$76,378,025
<u>APTC Share of Premium</u>	<u>\$322,547,707</u>	<u>\$338,826,391</u>	<u>\$355,872,897</u>	<u>\$373,722,481</u>	<u>\$392,412,003</u>
Gross Premiums	\$393,109,196	\$410,799,110	\$429,285,070	\$448,602,898	\$468,790,028
Members w/out APTC	<u>\$65,208,722</u>	<u>\$66,478,980</u>	<u>\$67,815,311</u>	<u>\$69,219,690</u>	<u>\$70,694,180</u>
Total On Exchange	\$458,317,919	\$477,278,090	\$497,100,380	\$517,822,588	\$539,484,208
Off Exchange					
Total Off Exchange	\$61,277,420	\$62,335,894	\$63,445,928	\$64,608,751	\$65,825,635
Total On & Off Exchange	\$519,595,339	\$539,613,983	\$560,546,309	\$582,431,339	\$605,309,844
<b>Small Group Market Total Annual Premium</b>					
	\$371,097,683	\$381,136,334	\$391,460,419	\$402,078,409	\$412,999,029

**Table 11: 2023-2032 Projections After Waiver<sup>10</sup>**

<sup>10</sup> Table 27, 1332 Waiver Actuarial and Economic Report, Prepared for the Maine Bureau of Insurance, submitted on February 10, 2022.

<b>2023-2027 Current Reinsurance Program for Individual Market</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Individual Market Average Annual Enrollment</b>					
On Exchange					
Members w/APTC	41,952	41,952	41,952	41,952	41,952
Members w/out APTC	<u>11,188</u>	<u>10,297</u>	<u>10,003</u>	<u>9,718</u>	<u>9,446</u>
Total On Exchange	53,140	52,249	51,955	51,670	51,398
Off Exchange					
Total Off Exchange	8,992	8,276	8,040	7,811	7,593
Total On & Off Exchange	62,132	60,525	59,995	59,481	58,991
<b>Small Group Market Average Annual Enrollment</b>					
	46,824	45,741	44,946	44,148	43,365
<b>Individual Market Average Premium PMPM</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$118.12	\$121.08	\$123.51	\$125.98	\$128.49
<u>APTC Share of Premium</u>	<u>\$444.00</u>	<u>\$498.31</u>	<u>\$523.76</u>	<u>\$550.74</u>	<u>\$579.01</u>
Gross Premiums	\$562.12	\$619.39	\$647.27	\$676.72	\$707.51
Members w/out APTC	<u>\$439.21</u>	<u>\$483.96</u>	<u>\$505.74</u>	<u>\$528.75</u>	<u>\$552.81</u>
Total On Exchange	\$536.25	\$592.70	\$620.02	\$648.89	\$679.08
Off Exchange					
Total Off Exchange	\$518.91	\$571.77	\$597.50	\$624.69	\$653.11
Total On & Off Exchange	\$533.74	\$589.84	\$617.00	\$645.71	\$675.73
<b>Small Group Market Average Premium PMPM</b>					
	\$580.62	\$610.82	\$638.30	\$667.34	\$697.71
<b>Individual Market Total Annual Premium</b>					
On Exchange					
Members w/APTC					
Member Share of Premium	\$59,465,215	\$60,956,283	\$62,175,409	\$63,418,917	\$64,687,295
<u>APTC Share of Premium</u>	<u>\$223,521,592</u>	<u>\$250,861,185</u>	<u>\$263,673,845</u>	<u>\$277,256,478</u>	<u>\$291,488,830</u>
Gross Premiums	\$282,986,807	\$311,817,468	\$325,849,254	\$340,675,395	\$356,176,125
Members w/out APTC	<u>\$58,964,638</u>	<u>\$59,799,437</u>	<u>\$60,707,976</u>	<u>\$61,660,627</u>	<u>\$62,664,143</u>
Total On Exchange	\$341,951,445	\$371,616,905	\$386,557,230	\$402,336,021	\$418,840,268
Off Exchange					
Total Off Exchange	\$55,992,260	\$56,784,977	\$57,647,717	\$58,552,345	\$59,505,274
Total On & Off Exchange	\$397,943,705	\$428,401,881	\$444,204,947	\$460,888,366	\$478,345,542
<b>Small Group Market Total Annual Premium</b>					
	\$326,243,308	\$335,275,188	\$344,270,940	\$353,542,468	\$363,075,802

<b>2028-2032 Current Reinsurance Program for Individual Market</b>						
		<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Individual Market Average Annual Enrollment</b>						
On Exchange						
	Members w/APTC	41,952	41,952	41,952	41,952	41,952
	Members w/out APTC	<u>9,193</u>	<u>8,951</u>	<u>8,719</u>	<u>8,499</u>	<u>8,288</u>
	Total On Exchange	51,145	50,903	50,671	50,451	50,240
Off Exchange	Total Off Exchange	7,389	7,194	7,008	6,831	6,661
Total On & Off Exchange		58,533	58,097	57,680	57,282	56,901
<b>Small Group Market Average Annual Enrollment</b>		42,616	41,881	41,160	40,452	39,759
<b>Individual Market Average Premium PMPM</b>						
On Exchange						
	Members w/APTC					
	Member Share of Premium	\$131.06	\$133.69	\$136.36	\$139.09	\$141.87
	<u>APTC Share of Premium</u>	<u>\$608.28</u>	<u>\$638.93</u>	<u>\$671.02</u>	<u>\$704.63</u>	<u>\$739.81</u>
	Gross Premiums	\$739.35	\$772.62	\$807.38	\$843.72	\$881.68
	Members w/out APTC	<u>\$577.68</u>	<u>\$603.68</u>	<u>\$630.85</u>	<u>\$659.23</u>	<u>\$688.90</u>
	Total On Exchange	\$710.29	\$742.91	\$777.00	\$812.64	\$849.88
Off Exchange	Total Off Exchange	\$682.50	\$713.22	\$745.31	\$778.85	\$813.90
Total On & Off Exchange		\$706.78	\$739.23	\$773.15	\$808.61	\$845.67
<b>Small Group Market Average Premium PMPM</b>		\$729.11	\$761.92	\$796.20	\$832.03	\$869.47
<b>Individual Market Total Annual Premium</b>						
On Exchange						
	Members w/APTC					
	Member Share of Premium	\$65,981,041	\$67,300,662	\$68,646,675	\$70,019,609	\$71,420,001
	<u>APTC Share of Premium</u>	<u>\$306,223,010</u>	<u>\$321,652,572</u>	<u>\$337,809,454</u>	<u>\$354,727,046</u>	<u>\$372,440,253</u>
	Gross Premiums	\$372,204,051	\$388,953,233	\$406,456,129	\$424,746,655	\$443,860,254
	Members w/out APTC	<u>\$63,725,130</u>	<u>\$64,839,258</u>	<u>\$66,007,786</u>	<u>\$67,232,026</u>	<u>\$68,513,341</u>
	Total On Exchange	\$435,929,181	\$453,792,491	\$472,463,915	\$491,978,681	\$512,373,595
Off Exchange	Total Off Exchange	\$60,512,778	\$61,570,743	\$62,680,366	\$63,842,893	\$65,059,617
Total On & Off Exchange		\$496,441,959	\$515,363,234	\$535,144,282	\$555,821,574	\$577,433,212
<b>Small Group Market Total Annual Premium</b>		\$372,856,146	\$382,913,421	\$393,255,813	\$403,891,755	\$414,829,942

**Table 12: 2023-2032 Projections Current Individual Market Reinsurance Program<sup>11</sup>**

<sup>11</sup> Consistent with the projections in the Actuarial and Economic Report submitted on February 10, 2022, it was assumed that the premium PMPM reductions in 2025 and beyond would be consistent with 2024. The state assessment of \$4.00 PMPM is a fixed amount. The value of the state assessment may diminish over time as premiums continue to rise due to health care trend, but it was assumed that the impact to the overall modeling was not significant.

<b>Deficit Neutrality Projection, 2023-2027</b>					
	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<b>Baseline (without waiver)- Individual Market Total Annual Premium</b>					
Members w/APTC					
Gross Premiums	\$332,055,469	\$349,322,354	\$365,041,860	\$381,651,264	\$399,016,397
<u>Member Share of Premium</u>	<u>\$65,192,719</u>	<u>\$66,496,573</u>	<u>\$67,826,505</u>	<u>\$69,183,035</u>	<u>\$70,566,695</u>
APTC Share of Premium	\$266,862,750	\$282,825,780	\$297,215,355	\$312,468,229	\$328,449,701
Total PTC	\$257,415,809	\$272,813,748	\$286,693,931	\$301,406,854	\$316,822,582
Total On & Off Exchange	\$448,756,365	\$467,600,458	\$485,239,304	\$503,873,672	\$523,373,213
<b>Baseline (without waiver)- Small Group Market Total Annual Premium</b>					
Total	\$326,243,308	\$335,275,188	\$344,270,940	\$353,542,468	\$363,075,802
<b>Current Individual Market Reinsurance Program- Individual Market Total Annual Premium</b>					
Members w/APTC					
Gross Premiums	\$282,986,807	\$311,817,468	\$325,849,254	\$340,675,395	\$356,176,125
<u>Member Share of Premium</u>	<u>\$59,465,215</u>	<u>\$60,956,283</u>	<u>\$62,175,409</u>	<u>\$63,418,917</u>	<u>\$64,687,295</u>
APTC Share of Premium	\$223,521,592	\$250,861,185	\$263,673,845	\$277,256,478	\$291,488,830
Total PTC	\$215,608,927	\$241,980,699	\$254,339,791	\$267,441,599	\$281,170,126
PTC Savings	\$41,806,882	\$30,833,049	\$32,354,140	\$33,965,255	\$35,652,456
2021 ARPA Funds	\$8,562,238	\$0	\$0	\$0	\$0
State Assessment	<u>\$26,700,000</u>	<u>\$26,700,000</u>	<u>\$26,700,000</u>	<u>\$26,700,000</u>	<u>\$26,700,000</u>
Total Reinsurance	\$77,069,120	\$57,533,049	\$59,054,140	\$60,665,255	\$62,352,456
Total On & Off Exchange	\$397,943,705	\$428,401,881	\$444,204,947	\$460,888,366	\$478,345,542
<b>Baseline (without waiver)- Small Group Market Total Annual Premium</b>					
Total	\$326,243,308	\$335,275,188	\$344,270,940	\$353,542,468	\$363,075,802

<b>Deficit Neutrality Projection, 2028-2032</b>					
	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>
<b>Baseline (without waiver)- Individual Market Total Annual Premium</b>					
Members w/APTC					
Gross Premiums	\$416,972,135	\$435,735,881	\$455,343,995	\$475,834,475	\$497,247,026
<u>Member Share of Premium</u>	<u>\$71,978,029</u>	<u>\$73,417,590</u>	<u>\$74,885,942</u>	<u>\$76,383,661</u>	<u>\$77,911,334</u>
APTC Share of Premium	\$344,994,105	\$362,318,291	\$380,458,054	\$399,450,814	\$419,335,693
Total PTC	\$332,781,314	\$349,492,223	\$366,989,838	\$385,310,256	\$404,491,209
Total On & Off Exchange	\$543,574,747	\$564,698,501	\$586,783,900	\$609,872,137	\$634,006,248
<b>Baseline (without waiver)- Small Group Total Annual Premium</b>					
Total	\$372,856,146	\$382,913,421	\$393,255,813	\$403,891,755	\$414,829,942
<b>Current Individual Market Reinsurance Program- Individual Market Total Annual Premium</b>					
Members w/APTC					
Gross Premiums	\$372,204,051	\$388,953,233	\$406,456,129	\$424,746,655	\$443,860,254
<u>Member Share of Premium</u>	<u>\$65,981,041</u>	<u>\$67,300,662</u>	<u>\$68,646,675</u>	<u>\$70,019,609</u>	<u>\$71,420,001</u>
APTC Share of Premium	\$306,223,010	\$321,652,572	\$337,809,454	\$354,727,046	\$372,440,253
Total PTC	\$295,382,715	\$310,266,070	\$325,850,999	\$342,169,709	\$359,255,868
PTC Savings	\$37,398,598	\$39,226,153	\$41,138,839	\$43,140,547	\$45,235,341
2021 ARPA Funds	\$0	\$0	\$0	\$0	\$0
State Assessment	<u>\$26,700,000</u>	<u>\$26,700,000</u>	<u>\$26,700,000</u>	<u>\$26,700,000</u>	<u>\$26,700,000</u>
Total Reinsurance	\$64,098,598	\$65,926,153	\$67,838,839	\$69,840,547	\$71,935,341
Total On & Off Exchange	\$496,441,959	\$515,363,234	\$535,144,282	\$555,821,574	\$577,433,212
<b>Baseline (without waiver)- Small Group Market Total Annual Premium</b>					
Total	\$372,856,146	\$382,913,421	\$393,255,813	\$403,891,755	\$414,829,942

**Table 13: Deficit Neutrality Projections, 2023-2032 Current Individual Market Reinsurance Program**

## 6. Considerations and Limitations

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.

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.

GA performed sensitivity testing on many of the assumptions to verify that varying the assumptions would not significantly change results. Actual federal pass-through funding will be based on the filed premiums and projected enrollment and may vary from the estimates in this report. Actual issuer 2023 through 2032 developed rates may also vary from what is assumed in this report.

This report is solely for the use of supporting Maine's 1332 Waiver application. The intended users of this report are the Maine BOI and those federal agencies to which the application is submitted. Distribution of this report to any other parties does not constitute advice from or by us to those parties. GA assumes no duty or liability to any third parties who receive the information herein.

This appendix should only be reviewed in conjunction with the previously submitted Actuarial and Economic Report.

## **7. Data Reliance, Subsequent Events, & Qualifications**

### **Data Reliance**

In the analysis described in this report, Gorman Actuarial (GA) relied on information provided by health insurers, the Maine BOI, MGARA, and publicly available information. 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.

### **Subsequent Events**

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.

GA also considered the impact of Clear Choice products, which became effective in 2022 in the Maine individual markets. This initiative establishes standardized plan designs in the individual market, and in 2023 will also standardize products in the small group market. GA compared the metal AV's and enrollment information from the 2021 rate filings to the proposed Clear Choice plans and determined that, on average, there would be minimal overall premium impacts to the individual market and the small group



market and therefore minimal impact to the estimates in this report. Results at the individual insurer level may vary.

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 regulatory environment as of March 2022. If subsequent changes are made, these statements may not appropriately represent the expected future state.

### **Qualifications**

GA used sound actuarial methodologies, principles, and judgement and have complied with all current Actuarial Standards of Practice (ASOPs). In particular, GA has complied with ASOP 23 Data Quality and ASOP 41 Actuarial Communication.

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.