

## Section 1332 of the Patient Protection and Affordable Care Act (PPACA) State Innovation Waivers – Reinsurance Waiver Annual Report

**Reporting Instructions:** Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on your specific terms and conditions (STC), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked “if applicable,” please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft annual reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE: Georgia

A. GRANTEE INFORMATION		
<b>1. Reporting Period End Date</b> December 31, 2022	<b>2. Report Due Date</b> March 31, 2023	<b>3. Report Submitted On (Date)</b> March 17, 2023
<b>4. Federal Agency and Organization Element to Which Report is Submitted</b> Consumer Information & Insurance Oversight		
<b>5. Federal Grant Number Assigned by Federal Agency</b> SIWCM228001	<b>6a. UEI Number</b> LB7XJYLQ5K64	<b>6b. EIN</b> 58-6002001
<b>7. Recipient Organization Name</b> State of Georgia, Office of Commissioner of Insurance and Safety Fire (OCI)		
<b>Address Line 1</b> 2 Martin Luther King Jr., Dr		
<b>Address Line 2</b> West Tower, Suite 702		
<b>Address Line 3</b>		
<b>City</b> Atlanta	<b>State</b> GA	<b>ZIP Code</b> 30334
<b>ZIP Extension</b>	<b>8. Grant Period Start Date</b> January 1, 2022	<b>9. Grant Period End Date</b> December 31, 2026
<b>10. Other Attachments (attach other documents as needed or as instructed by the awarding federal agency)</b> Two documents are attached with this report. The PY 2022 Pass-through Report provided to CMS on November 12, 2021 which includes the SLCSP for each county, and the Public Forum presentation provided on June 1, 2022.		

# Reinsurance Waiver Annual Report

<b>B. REPORT CERTIFICATION</b>																																																																																													
<b>11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.</b>																																																																																													
<b>11a. Typed or printed name and title of Authorized Certifying Official</b> Gregg Conley, Executive Counsel Office of Commissioner of Insurance and Safety Fire																																																																																													
<b>11b. Signature of Authorized Certifying Official</b>																																																																																													
<b>11c. Telephone (area code, number, and extension)</b> (404) 463-0240																																																																																													
<b>11d. Email address</b> GConley@oci.ga.gov																																																																																													
<b>11e. Date report submitted (month/day/year)</b> March 17, 2023																																																																																													
<b>C. PROGRESS OF SECTION 1332 WAIVER – <u>General</u></b>																																																																																													
<b>12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.</b>																																																																																													
<p>Georgia received approval for its Section 1332 Waiver on November 1, 2020. Part I of the waiver is a five-year reinsurance program that began on January 1, 2022. Part II of the waiver was the transition of the State's individual market from the Federally-facilitated Exchange (FFE). Part II was suspended by CMS on August 9, 2022. The Office of Commissioner of Insurance and Safety Fire (OCI) is administering the 1332 Waiver Reinsurance Program. In April 2022, OCI hired a Reinsurance Lead to manage the program. On April 27, 2021, OCI hosted a meeting with carriers to communicate program parameters ahead of the PY 2022 rate filing deadlines. The reinsurance parameters for PY 2022 remained the same from the 1332 Waiver application. OCI submitted the Pass-through Report to CCIIO for PY 2022 on September 15, 2021. OCI submitted revised reports on September 20, 2021 and November 12, 2021. OCI began collecting monthly claims reports from carriers in April 2022 and issued 2022 mid-year reinsurance payments to carriers in December 2022. For PY 2023, the reinsurance parameters remained the same with an attachment point of \$20,000, a cap of \$500,000, and a three-tiered coinsurance rate of 15%, 45%, and 80%. OCI held a meeting with carriers on March 17, 2022 to communicate program parameters and PY 2023 rate filing instructions. OCI submitted the initial PY 2023 Passthrough Report on September 23, 2022 and a revised report on November 4, 2022.</p> <p>The success of the Reinsurance Program has exceeded projections from the 1332 Waiver application. For both PY 2022 and PY 2023, the estimated average premium reductions across the tiers exceeded initial projections. Five new carriers entered Georgia's individual market in 2022, and the number of carriers offering plans across counties has continued to expand. One carrier withdrew from several states in 2023, including Georgia.</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="4" style="text-align: center;">Average Estimated Premium Reduction with the Reinsurance Program</th> <th colspan="3" style="text-align: center;">County Coverage</th> </tr> <tr> <th style="text-align: center;">Tier 1</th> <th style="text-align: center;">Tier 2</th> <th style="text-align: center;">Tier 3</th> <th style="text-align: center;">Statewide</th> <th style="text-align: center;">PY 2021</th> <th style="text-align: center;">PY 2022</th> <th style="text-align: center;">PY 2023</th> </tr> </thead> <tbody> <tr> <td>Waiver Application</td> <td style="text-align: center;">4.8%</td> <td style="text-align: center;">14.1%</td> <td style="text-align: center;">25.0%</td> <td style="text-align: center;">10.2%</td> <td style="text-align: center;">8 (5%)</td> <td style="text-align: center;">3 (2%)</td> <td style="text-align: center;">3 (2%)</td> </tr> <tr> <td>PY 2022</td> <td style="text-align: center;">6.0%</td> <td style="text-align: center;">15.5%</td> <td style="text-align: center;">26.6%</td> <td style="text-align: center;">11.8%</td> <td style="text-align: center;">58 (36%)</td> <td style="text-align: center;">19 (12%)</td> <td style="text-align: center;">16 (10%)</td> </tr> <tr> <td>PY 2023</td> <td style="text-align: center;">7.5%</td> <td style="text-align: center;">17.9%</td> <td style="text-align: center;">34.3%</td> <td style="text-align: center;">12.4%</td> <td style="text-align: center;">59 (37%)</td> <td style="text-align: center;">76 (48%)</td> <td style="text-align: center;">50 (31%)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">No. of counties with 1 carrier</td> <td style="text-align: center;">28 (18%)</td> <td style="text-align: center;">17 (11%)</td> <td style="text-align: center;">45 (28%)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">No. of counties with 2 carriers</td> <td style="text-align: center;">6 (4%)</td> <td style="text-align: center;">44 (28%)</td> <td style="text-align: center;">45 (28%)</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">No. of counties with 3 carriers</td> <td style="text-align: center;">6</td> <td style="text-align: center;">11</td> <td style="text-align: center;">10</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">No. of counties with 4 carriers</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">No. of counties with 5 or more carriers</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: center;">Total carriers in the market</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>		Average Estimated Premium Reduction with the Reinsurance Program				County Coverage			Tier 1	Tier 2	Tier 3	Statewide	PY 2021	PY 2022	PY 2023	Waiver Application	4.8%	14.1%	25.0%	10.2%	8 (5%)	3 (2%)	3 (2%)	PY 2022	6.0%	15.5%	26.6%	11.8%	58 (36%)	19 (12%)	16 (10%)	PY 2023	7.5%	17.9%	34.3%	12.4%	59 (37%)	76 (48%)	50 (31%)						No. of counties with 1 carrier	28 (18%)	17 (11%)	45 (28%)						No. of counties with 2 carriers	6 (4%)	44 (28%)	45 (28%)						No. of counties with 3 carriers	6	11	10						No. of counties with 4 carriers									No. of counties with 5 or more carriers									Total carriers in the market			
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There are no implementation or operational challenges for the Reinsurance Program in meeting the statutory guardrails.																																																																																													

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<b>D. PROGRESS OF SECTION 1332 WAIVER – <u>State-Specific</u></b>		
<b>14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1)</b>		
	Value	Comments (if applicable)
a. Actual individual market enrollment <b>on</b> the Exchange in the state	643,051	This is the average enrollment for PY 2022.
Actual individual market enrollment <b>off</b> the Exchange in the state	24,375	This is the average enrollment for PY 2022.
b. Actual average individual market premium rate <b>on</b> the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$527.39	This is average premium for PY 2022.
Actual average individual market premium rate <b>off</b> the Exchange (i.e., total individual market premiums divided by total member months of all enrollees)	\$454.27	This is average premium for PY 2022.
c. Actual Second-Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year-old non-smoker) in each rating area	See values in attachment.	See attachment: Georgia_FFE EXP-StatePremium-Pass-through-Calculations 2022_Revised 11.12.2021
Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year-old non-smoker) in each rating area	See values in attachment.	See attachment: Georgia_FFE EXP-StatePremium-Pass-through-Calculations 2022_Revised 11.12.2021
d. <b>For states with State-based Exchanges</b> , actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year	N/A	Georgia did not operate a State-based Exchange for PY 2022.
e. <b>For states with State-based Exchanges</b> , actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.	N/A	Georgia did not operate a State-based Exchange for PY 2022.

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**15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.**

Georgia's 1332 Waiver does not impact the scope of benefits covered in relation to EHBs, and the EHB benchmark plan was not modified for PY 2022 or PY 2023.

**16. Describe any changes to the state-operated reinsurance program, including changes to the funding level the program will be operating at for the next plan year, any changes to the approved payment parameters for reinsurance program reimbursement or changes to eligibility criteria for enrollees' claims to be reimbursed under the program.**

As more consumers entered the market, the estimated cost of the program continued to increase compared to the initial estimates in the 1332 Waiver application. In addition, pass-through funding for the first year of the program (PY 2022) was lower than initial projections. The Amended Fiscal Year (AFY) 2023 State Budget passed by the Georgia Assembly includes an additional \$92,000,000 to offset the projected shortfall. The program parameters for PY 2023 remain the same as those set for PY 2022.

**17. Describe any changes in state law that might impact the waiver and the date(s) these change occurred or are expected to occur.**

No changes in state law occurred during the 2022 program year that impacted the waiver.

**18. Report on spending:**

	Value	Comments (if applicable)
a. Amount of federal pass-through funding spent on individual claim payments to issuers from the reinsurance program	\$127,581,541	The State received \$255,163,082 in pass-through funding for PY 2022. The State issued mid-year payments to carriers in December 2022, using \$127,581,541 of the federal pass-through funds.
b. Amount of federal pass-through funding spent on operation of the reinsurance program	\$0	All operational costs for the reinsurance program were funded by State dollars. Federal pass-through funding was only used to pay carrier claims.
c. Amount of any unspent balance of federal pass-through funding for the reporting year	\$127,581,541	The State will spend the remaining PY 2022 federal pass-through funding in May/June 2023 for PY 2022 claims payments.
d. Amount of state funding contribution to fully fund the program for the reporting year	\$216,337,680	\$124,337,680 was allocated for the Reinsurance Program in the SFY 2023 budget. An additional \$92,000,000 was approved by the General Assembly in the AFY 2023 budget.

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<b>19. If applicable, provide a claims breakout at an aggregate level for the top five conditions or cost drivers of the five conditions, including settings of care in the individual market.</b> N/A		
<b>20. If applicable, report on any incentives for providers, enrollees, and plan issuers to continue managing health care cost and utilization for individuals eligible for reinsurance.</b> N/A		
<b>21. If applicable, report of any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high-cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high-cost risk adjustment program.</b>		
	<b>Value</b>	<b>Comments (if applicable)</b>
a. Reinsurance payment (before reconciliation) for high-cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool	N/A	Georgia does not plan to adjust reinsurance reimbursements for high-cost claims reimbursement through the HHS-operated risk adjustment program.
b. Risk adjustment amount paid by HHS for those claims	N/A	
c. Reinsurance reconciliation (or true-up) amount applied	N/A	
<b>E. POST-AWARD FORUM</b>		
<b>22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?</b> <input checked="" type="radio"/> Yes <input type="radio"/> No		
<b>23. State website address where Post-Award Forum was advertised</b> <a href="https://oci.georgia.gov/announcement/2022-06-01/1332-state-innovation-waiver-hearing">https://oci.georgia.gov/announcement/2022-06-01/1332-state-innovation-waiver-hearing</a>		

# Reinsurance Waiver Annual Report

## 24. Date Post-Award Forum took place

June 1, 2022

## 25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received and actions taken in response to concerns or comments.

The State's first Annual Public Forum was held June 1, 2022, at 10:00 am Eastern Time. There were 17 in-person and 20 virtual attendees. The State provided an update on Georgia's 1332 Waiver and accepted comments. Two speakers attended in-person and commented on behalf of their organizations. 1) Georgians for a Healthy Future (GHF) expressed support for the Reinsurance Program and applauded the program's benefits to rural consumers. GHF stated their hesitation in the Georgia Access program with the elimination of a one-stop shop platform for Healthcare.gov. 2) The Small Business Majority conveyed their support for the Reinsurance Program, the devastating impact the COVID-19 pandemic had on the small business community, and the concern that the implementation of Georgia Access may adversely impact individuals in the small business community's ability to attain affordable and comprehensive coverage.

## 26. Other Attachments (attach other documents as needed pertaining to Post-Award Form)

The presentation from the annual public forum has been sent with this report.

## F. STATE INTERNAL IMPLEMENTATION REVIEW – ATTESTATION

### 27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).

Yes

No

### 28. Describe the state's implementation review process.

Georgia collected monthly claims reports from carriers. This information allowed the State to monitor carrier claims activity month-over-month in addition to the claims reports received from the EDGE Server. The OCI Reinsurance Program team met weekly to discuss program status and progress. OCI contracted with an actuarial firm to conduct an annual analysis on the impact of the program and estimated claims costs to assist the State in setting the Reinsurance Program parameters for the following Plan Year. Georgia produced three quarterly reports for PY 2022 and the Pass-through Funding Reports for PY 2022 and PY 2023, in accordance with the 1332 Waiver Specific Terms and Conditions.