

Maryland State Reinsurance Program

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Reinsurance Program Renewal Timeline

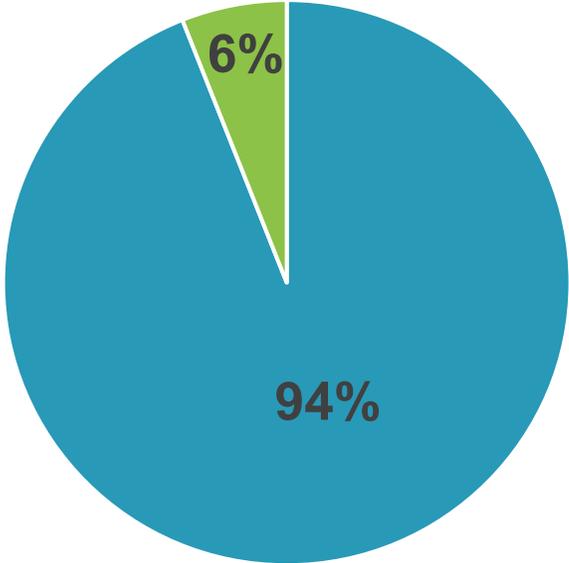
- To amend and extend the existing waiver, the state must submit a **letter of intent at least 15 months** prior to the waiver amendment's proposed implementation date and the **waiver amendment application by the end of the first quarter of the year prior** to the year the amendment would take effect.
- If MHBE were to amend and extend the waiver application, the federal government would need to be **notified by October 1, 2022** and the application would need to be **submitted by March 31, 2023**.

POTENTIAL TIMELINE FOR AN AMENDED 1332 WAIVER	
January-April 2022	General Assembly determines whether to extend state funding for waiver program
March-June 2022	MHBE staff draft letter of intent
July 2022	MHBE Board authorizes MHBE to submit letter of intent to the federal government
September 2022	MHBE submits letter of intent to the federal government
January/February 2023	MHBE Board authorizes MHBE to submit waiver application to the federal government
February 2023	MHBE submits the waiver application to the federal government
April 2023	Any necessary legislation related to waiver amendments is finalized by the General Assembly
March-August 2023	MHBE works with CMS to get the application approved
January 1, 2024	New 5-year waiver period begins

2020 Reinsurance Results – Paid Claims Breakdown

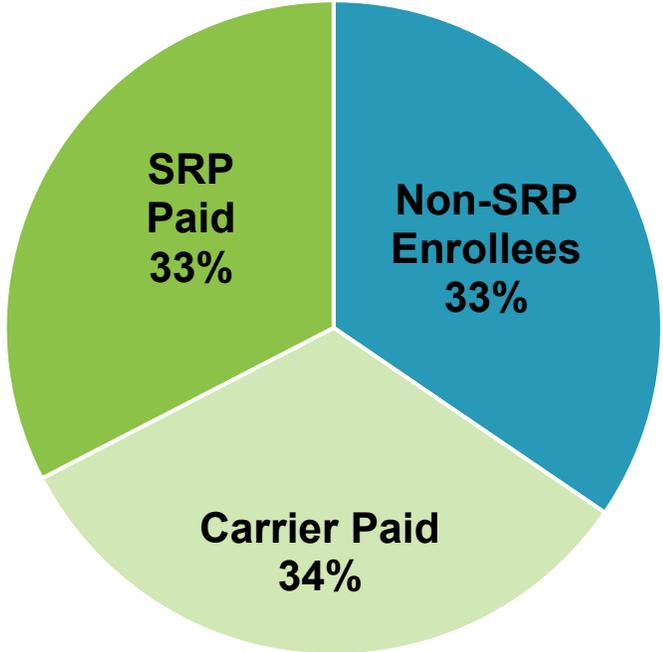
Total paid claims in 2020 were about \$1.2B

Enrollee Distribution



■ Non-SRP Enrollees ■ SRP Enrollees

Percent of Claim Dollars



■ Non SRP Enrollees ■ SRP qualified

Actual & Projected Expenses and Funding through 2023

	2019	2020	2021 Est.	2022 Est.	2023 Est.: ARPA Ends	2023 Est.: ARPA Continues
SRP Cost	\$352,798,597	\$400,106,654	\$432,632,395	\$491,646,596	\$505,995,722	\$514,515,711
Budget Transfer*		\$100,000,000	\$100,000,000			
YA Subsidy*				\$20,000,000	\$20,000,000	\$20,000,000
Health Equity*					\$15,000,000	\$15,000,000
Fed. Funding	\$373,395,635	\$447,277,359	\$474,542,755	\$289,191,236	\$243,752,593	\$309,725,071
State Funding	\$326,606,485	\$118,662,884	\$124,158,202	\$118,896,671	\$125,554,885	\$125,554,885
End of Year Balance – Fed.	\$20,249,819	\$67,317,912	\$109,228,272	\$0	\$0	\$0
End of Year Balance - State	\$326,606,485	\$345,229,369	\$369,387,571	\$375,057,154	\$203,368,910	\$260,821,399

*Can only be funded with state dollars.

Cost and funding projections from Lewis & Ellis 10-year projections as of 7/14/21. Cost and funding actuals from CMS and MIA.

Reinsurance Payments By Carrier & Impact of the Dampening Factor

2019

Carrier	Avg. Enrollment		Without Dampening Factor			With Dampening Factor		
	Total	As % of Total	SRP Payment	As % of Total	Avg SRP Payment per Enrollee	SRP Payment	As % of Total	Avg SRP Payment per Enrollee
CF HMO	109,351	57%	\$210,706,310	60%	\$1,927	\$206,560,535	59%	\$1,889
CF PPO	11,678	6%	\$77,213,578	22%	\$6,612	\$60,674,198	17%	\$5,196
Kaiser	70,791	37%	\$64,878,710	18%	\$916	\$85,563,864	24%	\$1,209
Total Market	191,820	100%	\$352,798,597	100%	\$1,839	\$352,798,597	100%	\$1,839

2020

Carrier	Avg. Enrollment		Without Dampening Factor			With Dampening Factor		
	Total	As % of Total	SRP Payment	As % of Total	Avg SRP Payment per Enrollee	SRP Payment	As % of Total	Avg SRP Payment per Enrollee
CF HMO	135,137	64%	\$248,263,639	62%	\$1,837	\$249,548,894	62%	\$1,847
CF PPO	11,998	6%	\$84,828,780	21%	\$7,070	\$67,555,718	17%	\$5,631
Kaiser	65,172	31%	\$67,014,236	17%	\$1,028	\$83,002,043	21%	\$1,274
Total Market	212,307	100%	\$400,106,654	100%	\$1,885	\$400,106,654	100%	\$1,885

Top Conditions among SRP Claims

- Various cancers were the highest cost SRP conditions in both years
- Diabetes, one of the state’s public health priorities, was among the top 5 most frequent and most costly conditions among SRP enrollees in both years

PY 2019

Most Frequent	Highest Cost
Cancers, including breast, prostate, lung brain, colorectal, and metastatic	Cancers, including breast, prostate, lung brain, colorectal, and metastatic
Diabetes	Congestive Heart Failure
Inflammatory Response Syndrome/Shock	Diabetes
Congestive Heart Failure	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock
Respiratory Arrest, Failure, and Shock	Respiratory Arrest, Failure, and Shock
Asthma and COPD	Asthma and COPD

PY 2020

Most Frequent	Highest Cost
Diabetes	Cancers, including Colorectal, Breast, Kidney, Metastatic, and Others
HIV/AIDS	Septicemia, Sepsis, Systemic Inflammatory Response Syndrome/Shock
Cancers, including Colorectal, Breast, Kidney, Metastatic, and Others	Respiratory Arrest, Failure and Shock
Congestive Heart Failure	Diabetes
Asthma and COPD	Congestive Heart Failure

Next Steps

- Lewis & Ellis to:
 - Update 10-year projections to reflect increased funding due to ARPA in 2021 and 2022
 - Review other states' federal funding as percent of total program cost and model 3 potential scenarios, as well as the necessary attachment points to stay within budget
- MHBE and MIA call with Treasury and CMS to try to better understand federal funding projections under ARPA
- Further consultation with partners regarding reinsurance funding legislation

Appendix



Reinsurance Program Parameters, 2019-2022

Parameters	Final 2019	Final 2020	Final 2021	Final 2022
Attachment Point	\$20,000	\$20,000	\$20,000	\$20,000
Coinsurance Rate	80%	80%	80%	80%
Cap	\$250,000	\$250,000	\$250,000	\$250,000
Dampening Factor	.800	.785	.760	.805