

2025 Reinsurance Parameters

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July 15, 2024

SRP Parameters - Regulatory Requirements

COMAR 14.35.17.04

B. Each year the Board shall set the payment parameters for the State Reinsurance Program by determining the following factors:

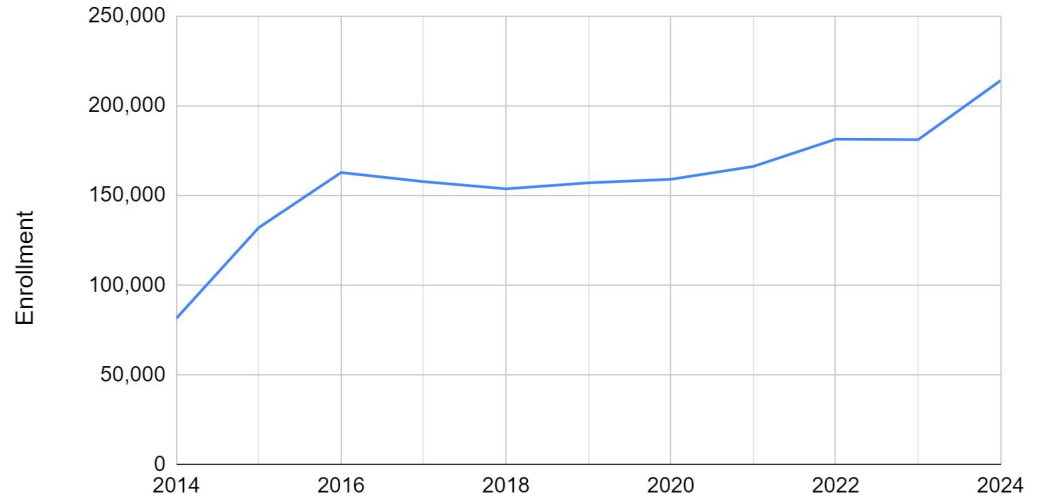
- (1) An attachment point;
- (2) A coinsurance rate;
- (3) A reinsurance cap; and
- (4) A market-level dampening factor provided by the Commissioner, if determined necessary by the Board.

Reinsurance Impact: Premium Reduction Realized, Enrollment Strong

Plan Year	Individual Premium Change
2015	10%
2016	18%
2017	21%
2018	28%
2019	-13%
2020	-10%
2021	-12%
2022	2.1%
2023	6.6%
2024	4.7%
2025 (proposed)	6.7%

EXCHANGE

On-Exchange Enrollment, 2014 - 2024



On-Exchange enrollment data from MHBE monthly data reports as of the end of Open Enrollment

Final 2025 SRP Parameters – Staff Recommendation

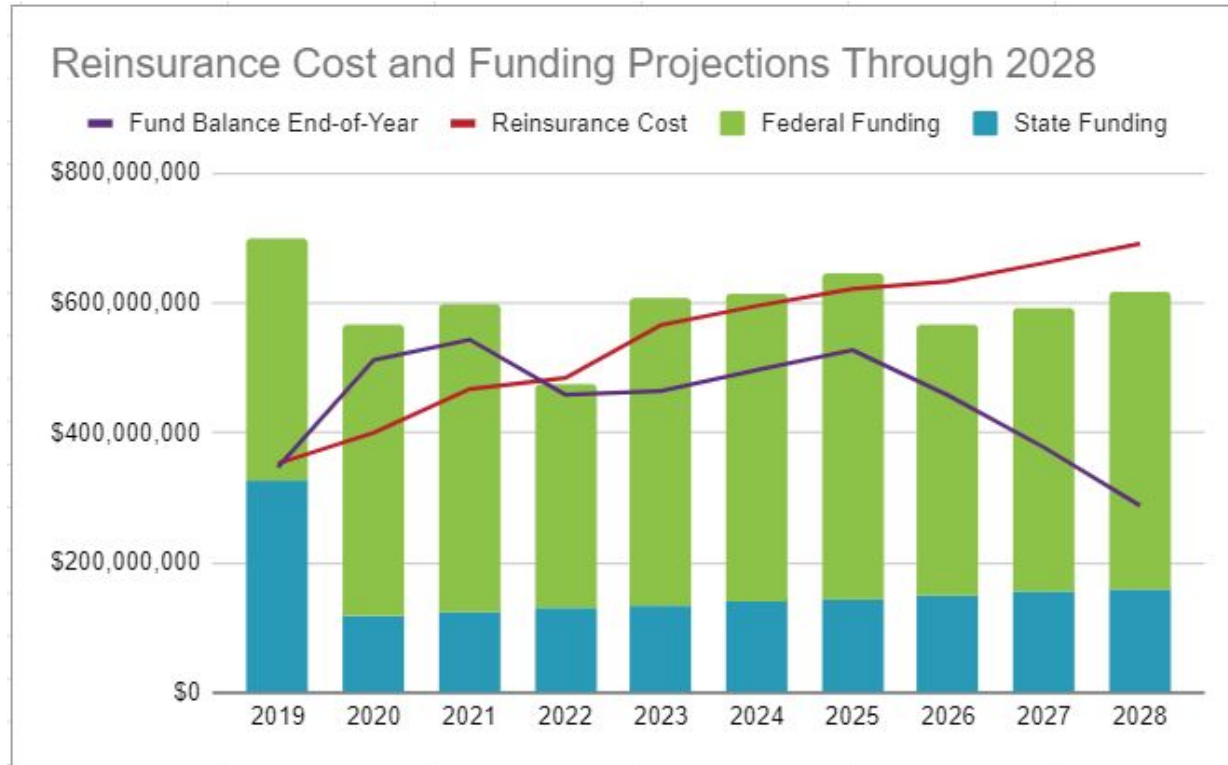
- In February, the Board set estimated parameters with an attachment point of \$21,000
- MHBE staff recommend finalizing the parameters as estimated, with an attachment point of \$21,000, coinsurance rate of 80%, and cap of \$250,000.
- MHBE staff recommend that the Board again determine that a dampening factor, to be provided by the Commissioner, is required.

Parameters	Final 2019-2022	Final 2023	Final 2024	Recommended Final 2025
Attachment Point	\$20,000	\$18,500	\$20,000	\$21,000
Coinsurance Rate	80%	80%	80%	80%
Cap	\$250,000	\$250,000	\$250,000	\$250,000
Dampening Factor	0.760-0.805	0.840	0.850	TBD

Calendar Year 2024 SRP Key Dates

February 20, 2024	MHBE Board	Set estimated 2025 SRP parameters.
Spring 2024	CMS	Publish estimated and final 2024 pass-through funding
May 20, 2024	MIA	2024 Rate Filing Deadline
May 2024	MIA CMS MHBE Policy	Proposed 2025 rates filed (6.7%) Shares unadjusted 2023 SRP carrier payment amounts Carriers submit 2023 and emerging 2024 data
May 28, 2024	CMS	Publish letter with final 2024 pass-through funding amount (higher than expected)
Late June 2024	MHBE Policy	Actuaries submit draft report for 2025 SRP
Early July 2024	MHBE Policy	Finalize recommended 2025 SRP parameters
July 15, 2024	MHBE Board	Set final 2025 SRP parameters.
Mid-August – Early September	MIA	2025 rates finalized
September 2024	MHBE	Issuers receive SRP payments for 2023 claims experience

July 2024 SRP Funding Projections with 2025 Attachment Point of \$21,000



- Projections assume attachment point increases by \$1000 annually starting in 2025; enhanced federal tax credits end in 2025.
- Reflected in end-of-year balance, but not otherwise shown: \$219M removed from state SRP fund for other programs across FY21-25, and est. \$68M for Young Adult Subsidy across FY22-26.

Request to Approve Recommended Final 2025 State Reinsurance Program Parameters

MOTION: I move to [approve/defer/reject] the recommended final parameters for the 2025 State Reinsurance Program [as presented] or [as amended], with:

- an attachment point of \$21,000,
- a coinsurance rate of 80%,
- a cap at \$250,000, and
- a dampening factor to be provided by the Insurance Commissioner.



Appendix

SRP Payments and Enrollment by Carrier

Adults aged 55-64 years accounted for the largest portion of both SRP enrollment and payments in all years (data not shown)

Carrier	# of Enrollees with Claims Reimbursed by the SRP	% of Enrollees with Claims Reimbursed by the SRP	Total SRP Payment	% of Total SRP Payment*	% of Total Market Enrollment
PY 2019					
CareFirst	9,095	79%	\$267,234,734	76%	53%
Kaiser	2,389	21%	\$85,563,864	24%	47%
Total	11,484	100%	\$352,798,597	100%	100%
PY 2020					
CareFirst	10,179	82%	\$317,104,612	79%	62%
Kaiser	2,225	18%	\$83,002,042	21%	38%
Total	12,404	100%	\$400,106,654	100%	100%
PY 2021					
CareFirst	12,192	83%	\$381,657,103	82%	67%
Kaiser	2,419	16%	\$81,956,875.77	18%	32%
United	96	1%	\$4,044,508.52	1%	1%
Total	14,707	100%	\$467,658,488	100%	100%
PY 2022					
CareFirst	12,297	81%	\$386,768,673	80%	64%
Kaiser	2,446	16%	\$82,396,335.82	17%	30%
United	392	3%	\$15,755,448.35	3%	6%
Total	15,135	100%	\$484,920,457	100%	100%

*May not sum to 100% due to rounding