

# **ANNUAL REPORT**

## **Joint Health Care Reform Oversight Committee**

**HB 601, Chapter 264, Laws of 2011  
RSA 420-N**

**December 1, 2020**

### **MEMBERS**

Rep. Edward Butler, Chairman  
Rep. Jeffrey Salloway  
Rep. John B. Hunt

Sen. Martha Fuller Clark  
Sen. Tom Sherman  
Sen. Jeb Bradley

### **BACKGROUND AND CHARGE**

The 2010 Health Insurance Reform Oversight Committee was established with the adoption of SB 455 (Chapter 243, Laws of 2010; RSA 420-L). Pursuant to this law, the Insurance Commissioner was required to make periodic reports to the initial Oversight Committee relative to the department's federal insurance reform implementation plans and initiatives. This committee met in September and in October in 2010, but did not issue a report. A sunset clause included in the 2010 law repealed the oversight committee on July 1, 2011.

A new Joint Health Care Reform Oversight Committee ("the Oversight Committee") was established in 2011 with no repeal date, effective July 1, 2011, with the adoption of HB 601 (Chapter 264, Laws of 2011; RSA 420-N). Pursuant to RSA 420-N:3, III, the Oversight Committee is responsible for providing legislative oversight, policy direction, and recommendations for legislation with respect to the Patient Protection and Affordable Care Act of 2009 (the ACA), as it determines appropriate. The Oversight Committee is also required to review existing rules, bulletins, or policies adopted pursuant to Chapter 243, Laws of 2010 and may require the repeal of such rules, bulletins, or policies.

The Oversight Committee has continued to meet with representatives from the state Departments of Insurance and Health and Human Services to receive reports on ongoing developments on both the state and federal levels with regard to the ACA. This report summarizes the discussions and actions taken by the Oversight Committee this year.

The Oversight Committee did not meet in 2019 and met once, on April 22, in 2020.

**MEETING** - April 22, 2020

***Waiver application to allow state-based reinsurance program in the State's individual health insurance market***

Due to the Covid-19 pandemic, this meeting was conducted on the meeting platform WebEx. The link for public access to the meeting was posted in the House and Senate Calendars. At least 25 agency staff, lobbyists and members of the public attended this meeting.

The purpose of the meeting was to consider an Insurance Department application for a Section 1332 State Relief and Empowerment Waiver to allow the State to implement a state-based reinsurance program in the State's individual health insurance market. Approval would waive Section 1312(c)(1) of the Affordable Care Act (ACA) for an initial period of five years beginning January 1, 2021. Committee approval for such a request is required pursuant to RSA 420-N:6-a.

Insurance Commissioner Christopher Nicolopoulos briefly addressed the committee noting that with the COVID-19 pandemic, a stable individual health insurance market was especially important at that time. The department estimated that the proposed reinsurance program would lead to an average premium reduction of 16% in the individual health insurance market.

Deputy Commissioner Alex Feldvebel provided an overview of the history of the individual health insurance market in NH, the development and structure of the proposed reinsurance program, and the next steps in the waiver application process.

The proposed reinsurance program would reimburse insurers based on their liability for high-cost claims. Under the proposal, for 2021, claims between \$60,000 and approximately \$400,000 would be considered high cost. The program complies with all federal statutory requirements for Section 1332 Waivers related to comprehensiveness and affordability of coverage, access to coverage and federal spending and is expected to lower premium costs in New Hampshire's individual market by approximately 16% on average and increase enrollment in the individual market's unsubsidized population by approximately 8%. The program is being proposed pursuant to RSA 404-G:12 and RSA 420-N:6-a. It is estimated that \$33 million in federal pass-through funding from Advance Premium Tax Credit savings will be available in 2021 to support the program. State funding for the program would come from a health insurance premium assessment that is estimated to produce \$13.5 million in 2021. The funding for the waiver program is set and will not increase based on costs. If necessary, the state will adjust the coinsurance rate and the cap to ensure payments match available funding.

*Action taken in 2020*

*Approval of Section 1332 Waiver Application, April 22, 2020*

Rep. Butler moved that the committee approve the submission of the request for a Section 1332 State Relief and Empowerment Waiver. Seconded by Sen. Bradley.

*Yes votes:* Bradley, Sherman, Fuller Clark, Butler, Salloway, Hunt

*No votes:* None

Motion adopted 6-0 and the Joint Health Care Reform Oversight Committee approved the submission of the request for a Section 1332 State Relief and Empowerment Waiver.

Respectfully submitted,  
Rep. Edward Butler, Chairman