


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

Reporting Instructions: Use the following template to capture data for quarterly 1332 waiver grant reporting, as specified in 45 CFR 155.1324(a), and referenced in your grant specific terms and conditions (STC). Quarterly reports are due 60 days following the end of each calendar quarter.

STATE:

A. GRANTEE INFORMATION			
1. Reporting Period End Date 06/30/2020		2. Report Due Date 08/31/2020	
3. 1st Quarterly Report <input type="radio"/>	2nd Quarterly Report <input checked="" type="radio"/>	3rd Quarterly Report <input type="radio"/>	4. Federal Agency and Organization Element to Which Report is Submitted Consumer Information & Insurance Oversight (CCIIO)
5. Federal Grant Number Assigned by Federal Agency 1 SIWIW190005-01-00		6a. DUNS Number 160208815	6b. EIN 016000001
7. Recipient Organization Name State of Maine - Maine Guaranteed Access Reinsurance Association			
Address Line 1 254 Commercial Street			
Address Line 2			
Address Line 3			
City Portland	State ME		Zip Code 04101
Zip Extension		8. Grant Period Start Date Jan 1, 2019	
9. Grant Period End Date Dec 31, 2023			
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)			

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B. REPORT CERTIFICATION	
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.	
11a. Typed or printed name and title of Authorized Certifying Official Christopher E. Howard Secretary, General Counsel Authorized Organizational Representative	11b. Signature of Authorized Certifying Official 
11c. Telephone (area code, number, and extension) (207) 791-1335	11d. E-mail address choward@pierceatwood.com
11e. Date report submitted (month/day/year) Aug 25, 2020	
C. PROGRESS OF SECTION 1332 WAIVER - General	
12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver. GRANT-RELATED INFORMATION <ul style="list-style-type: none"> - Grant issued on 04/30/2019. - Grant Transfer to the Maine Guaranteed Access Reinsurance Association (MGARA) completed 6/26/19. - Relinquishment to the Maine Guaranteed Access Reinsurance Association (MGARA) underway. - 2020 grant draw downs for 6 months ended 6/30/20 = \$6,996,096 MGARA-RELATED INFORMATION For the 3 months ended 6/30/20, total income was \$33,686,996, including \$7,601,447 in regular assessment revenue and premiums received of \$18,720,794. 1332 Grant revenue for the quarter was \$6,996,096. Gain on investments and interest income totaled \$368,658. Claims incurred for the period totaled \$26,490,176, which together with operational expenses resulted in total expenses of \$27,163,959. Although still early in the year, all metrics appear to be tracking on a basis consistent with projections. The MGARA monthly operations report June 2020 is attached for reference.	

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13. Describe any implementation and/or operational challenges, including plans for and results of associated corrective actions. After the first quarter, only report on changes and/or updates, as appropriate.

There were no notable implementation and/or operational challenges experienced in Q2.

The Maine Bureau of Insurance ("MBOI") has established a schedule for the decision process as to whether and how to proceed with the implementation of the legislation authorizing the merger of the small group and individual markets and resulting application for amendment to the 1332 Waiver. That schedule is attached for your reference.

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D. POST-AWARD FORUM <i>(for Quarter Post-Award Forum was held)</i>
<p>14. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?</p> <p><input checked="" type="radio"/> Yes <input type="radio"/> No</p>
<p>15. State website address where Post-Award Forum was advertised</p> <p>The notice was published on two websites: www.mgara.org and www.maine.gov/pfr/insurance/</p>
<p>16. Date Post-Award Forum took place</p> <p>2020 Forum held June 25, 2020 by Zoom meeting.</p>
<p>17. 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.</p> <p>The Summary of Post-Award Forum held June 5, 2020 is attached for your reference.</p>
<p>18. Other Attachments (attach other documents as needed pertaining to Post-Award Form)</p>

Question 12

Additional Information

MGARA
Balance Sheet
as of 6/30/2020

	2020	2019
Assets		
Cash/Investments (Note 1)	\$59,325,347	\$11,869,323
Assessment Receivable	-	-
Accrued Investment Interest Receivable	169,897	16,398
Allowance for Bad Debts	-	-
Premium Receivable	2,934,781	3,276,594
Grant Receivable	-	-
Claims Receivable	-	-
IBNR Premiums	400,000	-
Prepaid Expenses	0	0
Total Assets	\$62,830,025	15,162,314
Liabilities		
Accounts Payable (Note 2)	\$181,718	\$265,440
Claims Payable	11,334,573	\$23,634,301
IBNR Liability	14,900,000	0
Deferred Assessment Liability	-	-
Line of Credit	-	-
Total Liabilities	\$26,416,291	\$23,899,741
Fund Balance	\$36,413,734	\$-8,737,427

Statement of Revenues and Expenditures
For the 6 Months Ending June 30, 2020

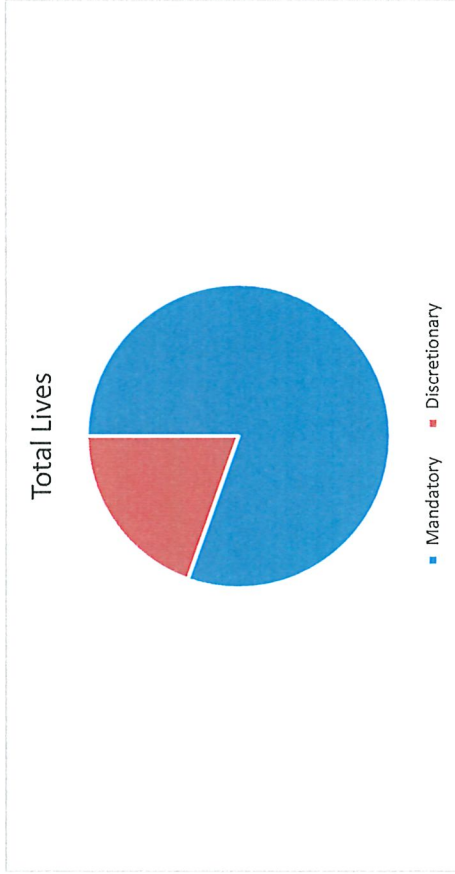
	Current Month	YTD 2020	YTD 2019	Full Year 2020 Projected*	2020 YTD % of Projected
Revenues					
Regular Assessment	\$243,592	\$7,601,447	\$5,452,869	\$22,400,000	34%
Additional Assessment	-	-	-	-	-
Premiums	3,130,554	18,720,794	15,963,061	37,900,000	49%
Grant Revenue (Note 4)	4,453,046	6,996,096	-	26,300,000	27%
Change in Premium IBNR	-	-	-	-	-
Gain on Investments	(124,259)	(259,791)	30,340	-	-
Interest Income	231,901	628,449	50,730	-	-
Total Income	\$7,934,833	\$33,686,996	\$21,496,999	\$86,600,000	39%
Total Income excluding Assessments and Grants		\$19,089,452	\$16,044,130	\$26,300,000	73%
Expenditures					
Claims Incurred	\$5,552,936	\$26,490,176	\$34,542,973	\$80,900,000	33%
Change in IBNR	-	-	-	-	-
Administration Fees	47,114	281,921	222,792	-	-
Interest Expense	-	-	-	-	-
Professional Fees (Note 3)	29,910	344,402	110,169	600,000	112%
Insurance Expense	29,970	42,767	18,923	-	-
Bank Charges	879	4,694	3,686	-	-
Other Expenses	-	-	1,528	-	-
Total Expenses	\$5,660,809	\$27,163,959	\$34,900,071	\$81,500,000	33%
Revenues excluding Assessments and Grants in Excess of Expenditures	-\$2,422,614	-\$8,074,507	-\$18,855,941	-\$55,200,000	15%
Revenues in Excess of Expenditures/ (Expenditures in Excess of Revenues)	\$2,274,024	\$6,523,036	-\$13,403,072	\$5,100,000	128%
Fund Balance - Beginning		\$29,890,698	\$4,665,645	\$29,900,000	
Fund Balance - Ending		\$36,413,734	\$-8,737,427	\$35,000,000	

MGARA
Supplemental Information
Information provided through July 20, 2020

	Prior Report Total Lives	Additions Cur Month	Terminations Cur Month	Total Lives	Total Projected Lives	% Of Projected
Mandatory	2,880	89	55	2,914	4,400	66%
Discretionary	691	30	10	711	890	80%
Total Ceded Risks MGARA	3,571	119	65	3,625	5,290	69%

Total Unique Lives enrolled since January 1, 2019 **7,021**
Total Claims Paid since January 1, 2019 **\$ 117,022,299**

TOTAL



Question 13

Additional Information

Bureau of Insurance

L.D. 2007 (P.L. 2019, ch. 653)

Steps for Implementing the Pooled Market (24-A M.R.S. § 2792)

and

Section 1332 Waiver (24-A M.R.S. §§ 2792 and 2781)

Description	Target Date	Comments
Finalize Gorman Associates modeling slides	08/14/20	
Post GA slides to BOI web site and announce public forum with invitation to submit comments in writing or at the forum	08/19/20	
Public Forum	09/02/20	
Deadline for post-Forum comments	09/09/20	
BOI draft rule based on comments received through Forum	10/15/20	
§ 1332 waiver amendment filed	10/15/20	
BOI/DPFR/AG review	10/30/20	
Publication of rulemaking notice	11/11/20	
Rulemaking Hearing	12/02/20	
Comment Period Deadline	12/14/20	
BOI basis statement	01/06/21	After this, we adopt, have the AG review (and approve) the proposed rule, and submit it to the SOS. The target dates that follow are statutory. We would hope to finish all of this by late January or early February 2021.
BOI adoption deadline	04/13/21	
AG approval	05/13/21	
SOS publication		
§ 1332 waiver amendment approval	04/15/21	
2022 plan year rates filed	04/21 – 05/21	
Merged market/MGARA reinsurance effective	01/22	

Question 17
Post Award Summary

State of Maine

Maine Guaranteed Access Reinsurance Association

SUMMARY OF ANNUAL POST AWARD PUBLIC FORUM

Pursuant to 31 CFR §33.124 and 45 CFR §155.1324

As Specified in Innovation Waiver Specific Terms and Conditions Section 11

Introduction: Pursuant to 31 CFR §33.120(c) and 45 CFR §155.1320(c), the Maine Bureau of Insurance (“MBOI”) and the Maine Guaranteed Access Reinsurance Association (“MGARA”) jointly held a public forum on June 25, 2020 at 10:00 AM via ZOOM call, in which the public was afforded an opportunity to provide comment on the progress of the State of Maine Section 1332 Innovation Waiver (the “Waiver”).

Process: The MBOI and MGARA both published the date, time and location of the public forum in a prominent location on the MBOI’s public web site and MGARA’s public web site at least 30 days prior to the date of the public forum. The forum was jointly hosted by Maine Superintendent of Insurance Eric Cioppa and Christopher Howard, MGARA’s Authorized Organizational Representative. The forum was also attended by members of the MBOI staff, including Holly Doherty, Staff Attorney, and Mary M. (“Marti”) Hooper, ASA, MAAA, Life and Health Actuary. Also in attendance was Diane Kopecky from River 9 Consulting, Inc., the MGARA administrator.

Following introductory statements by Mr. Howard and Superintendent Cioppa, a roll call was taken to identify the attendees. Members of the public attending were:

- *Kristine Ossenfort - Senior Director, Government Relations, Anthem Blue Cross and Blue Shield*
- *Peter Gore – Executive Vice President, Maine State Chamber of Commerce*
- *Katherine Pelletreau, MPH – Executive Director, Maine Association of Health Plans and MGARA Board Member*

Following the roll call. The forum was opened to public comment.

Public Comment: The following public comment was received:

Kristine Ossenfort - Senior Director, Government Relations - Anthem Blue Cross and Blue Shield:
Ms. Ossenfort had two questions. First she inquired whether notice of the public forum was mailed directly to interested parties. Mr. Howard replied that notice was provided via publication on the MBOI and MGARA websites in accordance with applicable requirements, and that notifying “interested” parties was not feasible in that there is no means of identifying who those parties might be in advance of their appearance. He pointed out that all market participants also received notice via their members on the MGARA Board of Directors. Ms. Ossenfort’s second question was whether the deadline for written comment could be extended to allow for more time to submit comments. Messrs. Cioppa and Howard agreed to extend the deadline for one week to Thursday July 2, 2020 at 5 P.M.

Peter Gore – Executive Vice President, Maine State Chamber of Commerce: Mr. Gore indicated he appreciated the extension of time for comments. He was uncertain whether he would have any comments, but was appreciative nonetheless.

There being no further comment, the Public Forum was concluded.