

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 06/30/2021		2. Report Due Date 08/31/2021	
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) MGARA Q2 2021 Financial Report			

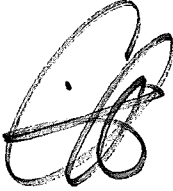
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B. REPORT CERTIFICATION	
<p>11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.</p>	
<p>11a. Typed or printed name and title of Authorized Certifying Official</p> <p>Christopher E. Howard Secretary, General Counsel Authorized Organizational Representative</p>	<p>11b. Signature of Authorized Certifying Official</p> 
<p>11c. Telephone (area code, number, and extension)</p> <p>(207) 791-1335</p>	<p>11d. E-mail address</p> <p>choward@pierceatwood.com</p>
<p>11e. Date report submitted (month/day/year)</p> <p>Aug 25, 2021</p>	
C. PROGRESS OF SECTION 1332 WAIVER - General	
<p>12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver. The MGARA program is in its third year of full operation and is functioning according to plan. For the 6 months ended 6/30/21, total income was \$35,298,433, consisting of \$17,420,726 in premium collected on ceded policies, \$7,105,562 in assessment revenue and \$10,820,935 in 1332 grant revenue. Gain on investments and interest income totaled -\$48,790 due to market conditions in Q2. Claims incurred for the period totaled \$29,406,997, which together with operational expenses and change in IBNR resulted in total expense of \$30,013,176. Revenue and expenses are tracking consistent with budget. The MGARA monthly operations report June 30, 2021 is attached for reference.</p>	
<p>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.</p> <p>As separately reported, MGARA has decided to convert its reinsurance program to a retrospective model as of 1/1/22. An amendment and restatement of its Plan of Operation is being drafted for submission to the Maine Bureau of Insurance for approval. The member insurers estimated between 10.4%-17.5% savings due to MGARA reinsurance in their 2022 rate filings.</p>	

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MGARA is awaiting the Maine Bureau of Insurance decision regarding implementation of the small group market merger, which, if approved, will require a ramp-up in effort to plan the implementation of that revised operating model beginning 1/1/23.

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D. POST-AWARD FORUM <i>(for Quarter Post-Award Forum was held)</i>
14. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance? <input checked="" type="radio"/> Yes <input type="radio"/> No
15. State website address where Post-Award Forum was advertised The notice was published on two websites: www.mgara.org and www.maine.gov/pfr/insurance/
16. Date Post-Award Forum took place June 7, 2021 at 1 PM EST by Zoom meeting.
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. The Summary of Post-Award Forum held June 7, 2021 is attached hereto for reference.
18. Other Attachments (attach other documents as needed pertaining to Post-Award Form None

MGARA
Balance Sheet
as of 6/30/2021

	2021	2020
Assets		
Cash/Investments (Note 1)	\$82,145,169	\$59,325,347
Assessment Receivable	-	-
Accrued Investment Interest Receivable	517,505	169,897
Allowance for Bad Debts	-	-
Premium Receivable	2,403,174	2,934,781
Grant Receivable	-	-
Claims Receivable	-	-
IBNR Premiums	1,900,000	400,000
Prepaid Expenses	0	0
Total Assets	\$86,965,847	\$62,830,025
Liabilities		
Accounts Payable (Note 2)	\$205,834	\$181,718
Claims Payable	10,457,462	11,334,573
IBNR Liability	15,000,000	14,900,000
Deferred Assessment Liability	-	0
Line of Credit	-	0
Total Liabilities	\$25,663,296	\$26,416,291
Fund Balance	\$61,302,551	\$36,413,734

Statement of Revenues and Expenditures
For the 6 Months Ending June 30, 2021

	Current Month	YTD 2021	YTD 2020	Full Year 2021 Projected*	2021 YTD % of Projected
Revenues					
Regular Assessment	\$264,104	\$7,105,562	\$7,601,447	\$25,000,000	28%
Additional Assessment	-	-	-		
Premiums	2,843,277	17,420,726	18,720,794	31,300,000	56%
Grant Revenue (Note 4)	5,451,513	10,820,935	6,996,096	30,800,000	35%
Change in Premium IBNR	-	-	-		
Gain on Investments	(297,844)	(1,365,221)	(259,791)		
Interest Income	246,300	1,316,431	628,449		
Total Income	\$8,507,350	\$35,298,433	\$33,686,996	\$87,100,000	41%
Total Income excluding Assessments and Grants		\$17,371,937	\$19,089,452	\$31,300,000	56%
Expenditures					
Claims Incurred	\$6,481,782	\$29,406,997	\$26,490,176	\$86,000,000	34%
Change in IBNR	-	-	-		
Administration Fees	52,140	319,931	281,921		
Interest Expense	-	-	-		
Professional Fees (Note 3)	59,880	230,064	344,402	1,100,000	55%
Insurance Expense	33,890	53,483	42,767		
Bank Charges	410	2,700	4,694		
Other Expenses	-	-	-		
Total Expenses	\$6,628,102	\$30,013,176	\$27,163,959	\$87,100,000	34%
Revenues excluding Assessments and Grants in Excess of Expenditures	-\$3,836,369	-\$12,641,239	-\$8,074,507	-\$56,300,000	22%
Revenues in Excess of Expenditures/ (Expenditures in Excess of Revenues)	\$1,879,248	\$5,285,258	\$6,523,036	\$0	#DIV/0!
Fund Balance - Beginning		\$56,017,294	\$29,890,698		
Fund Balance - Ending		\$61,302,552	\$36,413,734	\$0	

State of Maine

Maine Guaranteed Access Reinsurance Association

SUMMARY OF ANNUAL 2021 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 7, 2021 at 1:00 pm ET 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. MGARA’s request for a modification of normal post-award forum procedures during the public health emergency pursuant to 45 CFR § 155.1320(c)(2) was approved by the Department of Health and Human Services and the Department of the Treasury as meeting the requirements set forth in 45 CFR § 155.1320(c)(2).

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, Benjamin Yardley, Senior Staff Attorney and Robert Wake, General Counsel. Also in attendance was Diane Kopecky from River 9 Consulting, Inc., the MGARA administrator.

Following introductory statements by Mr. Howard and Superintendent Cioppa, a role call was taken to identify the attendees. There were no members of the public in attendance. The meeting remained open for 15 minutes without public attendees.

There being no public comments, the Public Forum was concluded.

The meeting notice informed the public that written comments would be accepted by email to Holly.Doherty@maine.gov through 4:30 pm EST on June 14, 2021. No written comments were received by that date.