


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 06/30/2022		2. Report Due Date 08/31/2022	
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 12/31/23 (Grant Period Extension Commences 1/1/23 under Amendment Approval Letter dated 7/15/22)			
10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency) - MGARA Q2 2022 Financial Report - Summary of Post-Award Forum held June 7, 2022.			

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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 24, 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.</p> <p>MGARA successfully converted its reinsurance program to a retrospective model as of 1/1/22. As converted, the MGARA program is in its fourth year of full operation and is functioning according to plan. For the 6 months ended 6/30/22, total income was \$5,860,677, consisting of \$7,350,374 in assessment revenue and Gain/loss on investments of - \$1,489,698 due to market conditions. Investments are marked to market and do represent realized losses. All investments are held to maturity and are not expected to generate any realized losses. MGARA longer receives premium income due to the conversion to a retrospective model. No 1332 Grant revenue was realized in the reporting period. Claims incurred for the period totaled \$24,932,099, which together with operational expenses and change in IBNR resulted in total expense of \$25,361,616. Revenue and expenses are tracking consistent with budget. The MGARA monthly operations report June 30, 2021 is attached for reference.</p> <p>The MGARA program received approval from the Departments by letter dated 7/15/22 that will allow the extension of hte MGARA reinsurance program to a merged individual and small group market for plan years 2023 - 2027, as well as quarterly adjustments for small group plans that do not renew on a calendar year basis.</p>	

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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.

MGARA did not experience any implementation and/or operational challenges in Q2.

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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. <p>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, 2022 at 1:00 pm ET via Microsoft Teams web conference, 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”). The Summary of Post-Award Forum held June 7, 2021 is attached hereto for reference.</p>
18. Other Attachments (attach other documents as needed pertaining to Post-Award Form None

MGARA
Balance Sheet
as of 6/30/2022

	2022	2021
Assets		
Cash/Investments (Note 1)	\$87,493,352	\$82,145,169
Assessment Receivable	-	-
Accrued Investment Interest Receivable	428,014	517,505
Allowance for Bad Debts	-	-
Premium Receivable	16,073	2,403,174
Grant Receivable	-	-
Claims Receivable	-	-
IBNR Premiums	-94,686	1,900,000
Prepaid Expenses	0	0
Total Assets	\$87,842,754	\$86,965,847
Liabilities		
Accounts Payable (Note 2)	\$96,950	\$205,834
Claims Payable	20,313,021	10,457,462
IBNR Liability	2,268,619	15,000,000
Deferred Assessment Liability	-	0
Line of Credit	-	0
Total Liabilities	\$22,678,590	\$25,663,296
Fund Balance	\$65,164,164	\$61,302,551

Statement of Revenues and Expenditures
For the 6 Months Ending June 30, 2022

	Current Quarter	YTD 2022	YTD 2021	Full Year 2022 Projected*	2022 YTD % of Projected
Revenues					
Regular Assessment	\$7,350,374	\$7,350,374	\$7,105,562	\$27,000,000	27%
Additional Assessment	-	-	-	-	
Premiums	-	-	17,420,726	-	
Grant Revenue (Note 4)	-	-	10,820,935	45,800,000	0%
Change in Premium IBNR	-	-	-	-	
Gain on Investments	(805,594)	(2,501,186)	(1,365,221)	-	
Interest Income	496,544	1,011,488	1,316,431	-	
Total Income	\$7,041,324	\$5,860,677	\$35,298,433	\$72,800,000	8%
Total Income excluding Assessments and Grants		-\$1,489,697	\$17,371,937	\$0	#DIV/0!
Expenditures					
Claims Incurred	\$19,590,582	\$24,932,099	\$29,406,997	\$59,800,000	42%
Change in IBNR	-	-	-	-	
Administration Fees	69,600	181,200	319,931	-	
Interest Expense	-	-	-	-	
Professional Fees (Note 3)	58,155	183,499	230,064	1,100,000	39%
Insurance Expense	58,721	61,558	53,483	-	
Bank Charges	1,742	3,260	2,700	-	
Other Expenses	-	-	-	-	
Total Expenses	\$19,778,801	\$25,361,616	\$30,013,176	\$60,900,000	42%
Revenues excluding Assessments and Grants in Excess of Expenditures	-\$20,087,851	-\$26,851,313	-\$12,641,239	-\$15,100,000	178%
Revenues in Excess of Expenditures/ (Expenditures in Excess of Revenues)	-\$12,737,477	-\$19,500,939	\$5,285,258	\$11,900,000	
Fund Balance - Beginning		\$84,665,103	\$56,017,294	\$57,500,000	
Fund Balance - Ending		\$65,164,164	\$61,302,552	\$69,400,000	

State of Maine

Maine Guaranteed Access Reinsurance Association

SUMMARY OF ANNUAL 2022 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, 2022 at 1:00 pm ET via Microsoft Teams web conference, 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 meeting information for 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 Acting Maine Superintendent of Insurance Timothy N. Schott and Christopher Howard, MGARA’s Authorized Organizational Representative. The forum was also attended by members of the MBOI staff, including Mary M. (“Marti”) Hooper, ASA, MAAA, Life and Health Actuary, Benjamin Yardley, Senior Staff Attorney, Robert Wake, General Counsel, Amanda Maley-Alley, Senior Insurance Analyst, Keith Fougere, Assistant Actuary and Brittnee Greenleaf, Executive Assistant. Also in attendance were Laren Walker and Diane Kopecky from River 9 Consulting, Inc., the MGARA administrator.

Acting Superintendent Schott provided introductory remarks describing the purpose of the forum was to receive public comments on the progress of Maine’s 1332 Waiver. He gave some background on the State’s 1332 waiver enabling the State to pursue innovative strategies to provide its residents with access to quality, affordable health insurance. He commented that the forum related to the current 1332 waiver, not to the waiver application under review by the Centers for Medicare and Medicaid Services. He briefly described the MGARA reinsurance program and its goal to bring increased certainty and stability to Maine’s individual health insurance market through a positive impact on premium levels.

Following his remarks, a roll call was taken to identify the attendees. The members of the public attending were:

- Amy Blais Community Health Options

- Kate Ende, Consumers for Affordable Health Care
- Colleen McCarthyReid, OPLA, Maine State Legislature

The floor was opened for comments from the public attendees.

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

Those in attendance were reminded that as stated in the meeting notice written comments would be accepted through 4:30 PM June 14, 2022. No written comments were received by that date.