

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 06/30/2025			2. Report Due Date 08/31/2025		
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 12/31/27 (Grant Period Extension approved 7/15/22)					

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

10. Other Attachments (attach other documents as needed or as instructed by the awarding Federal agency)

Summary of MGARA 2025 Post-Award Public Forum

1

INFORMATION NOT RELEASABLE TO THE PUBLIC UNLESS AUTHORIZED BY LAW: This information has not been publicly disclosed and may be privileged and confidential. It is for internal government use only and must not be disseminated, distributed, or copied to persons not authorized to receive the information. Unauthorized disclosure may result in prosecution to the full extent of the law.

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 27, 2025

C. PROGRESS OF SECTION 1332 WAIVER - General

2

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

12. Provide an update on progress made in implementing and/or operating the approved 1332 waiver.

There has been limited activity through the first six months of 2025, as expected. Through Q2 MGARA results are tracking to budget. Assessment revenues YTD were \$6,850,662, representing approximately 24% of 2025 full year projection consistent with prior periods. Section 1332 grant funding of \$43,398,022 was received in the quarter with draws under the 1332 grant expected to begin in Q3. Claims are tracking slightly ahead of budget for the YTD at \$18,421,108, representing approximately 24% of 2025 full year projection, which is not inconsistent with prior periods. Claims tend to back-load with ramp up during Q3 and 4. MGARA closed the first six months with a Fund Balance of \$42,793,732 vs. a projected year end Fund Balance of \$30,519,776. No adjustments are being made to 2025 projected results,, which are considered still reasonable approximations.

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.

No unreported operational challenges have been experienced in 2025 YTD.

Although not specific to Q2 operational performance, at its May 5th Board meeting MGARA set its reinsurance parameters for the 2026 year at 2 \$135,000/\$275,000 with a 60% coinsurance rate, which is

reflective of the continued gradual erosion of its ability to deliver rate relief to the Individual Market and the Small Group Market due to higher health care costs, static revenues, and the expansion of the program to include the small group market. On a combined basis, these factors, have continued to erode MGARA's impact on premiums from 17% in 2021 to a projected impact of just 4% in 2026. The Maine Bureau of Insurance will be conducting stakeholder meetings during the Fall 2025 and delivering a recommendation for corrective legislation to the Maine legislative committee of jurisdiction in January 2026.

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

D. POST-AWARD FORUM

(for Quarter Post-Award Forum was held)

14. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?

- ☒ Yes
☐ 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

2025 Forum was held June 30, 2025 at 1:00 PM ET.

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 30, 2025 is attached to this report.

18. Other Attachments (attach other documents as needed pertaining to Post-Award Form None
- other than as referenced above in Response to Question 17.

State of Maine
Maine Guaranteed Access Reinsurance Association

SUMMARY OF ANNUAL 2025 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 30, 2025 at 1:00 p.m. ET in a hybrid format with an in-person session held at the offices of the Maine Department of Professional and Financial Regulation, 76 Northern Avenue, Gardiner, Maine and a virtual session via Zoom video conference, at which the public was afforded an opportunity to provide comment on the progress of the State of Maine Section 1332 Innovation Waiver (the “Waiver”). Written comments were accepted through July 18, 2025.

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.

Record: The forum was jointly hosted by Maine Superintendent of Insurance Robert Carey and Christopher Howard, MGARA’s Secretary and 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
Melissa Mayo, Summer Intern

Following introductory statements by Superintendent Carey, a role call was taken to identify the attendees. The following attendees via Zoom were identified:

- Dan Demeritt, Executive Director, Maine Association of Health Plans (“MAHP”)
- Christine Ossenfort Director of Government Relations, Anthem Blue Cross/Blue Shield (“Anthem”)

Mr. Carey provided an overview of the Section 1332 waiver program and MGARA’s historical roots. He discussed MGARA’s current reinsurance levels and parameters, as well as MGARA’s current and projected financial position. Following conclusion of his brief presentation, he invited public comment.

Public Comment: Public comment was provided by Dan Demeritt and Ms. Ossenfort – summarized as follows:

Mr. Demeritt expressed the MAHP concerns with higher health care costs, static revenues, and the expansion of the program to include the small group market, which have continued to erode MGARA's impact on premiums from 17% in 2021 to a projected impact of just 4% in 2026. This creates serious concerns about the significantly reduced value of, and the future viability of, Maine's reinsurance program. MAHP believes this reduction in value means it is time to take stock of the program to assess what steps may be needed to ensure that it continues to be viable and have a meaningful impact in the market. Mr. Demeritt thanked the MBOI and the Superintendent for their stakeholder outreach over the past year and referenced the recent letter request by the Maine Legislature's Joint Standing Committee on Health Coverage, Insurance and Financial Services ("HCIFS Committee") that the MBOI convene a formal stakeholder group to focus on the long-term value and sustainability of the MGARA program, to hold public stakeholder meetings and to advance recommendations to the HCIFS Committee by January 5, 2026 for any legislative changes to the MGARA program. He suggested that this group consider a number of possible factors and approaches, including:

- The current law, structure, and parameters of the reinsurance program
- Anticipated funding and financial projections for the program
- Availability of federal pass-through funding under the 1332 waiver
- The impact of changes on programing funding and insurance premiums
- Mechanisms to increase the value of MGARA given the merged market
- Decoupling the Individual and Small Group markets
- Returning MGARA to a prospective model, rather than the current retrospective model
- Policies that can increase the size of the small group market pool

He concluded noting MAHP's concerns regarding the impact that any increase in MGARA assessments would have on the affordability of health insurance.

Ms. Ossenfort discussed the reduction in the value and impact of the MGARA program following the merger of the individual and small group markets and the corresponding changes made to the MGARA program as a result of the amended section 1332 waiver. She echoed the comments of the MAHP and supported the MBOI convening a stakeholder group to examine other policy options and solutions that could serve to maximize the impact of the MGARA program and strengthen the individual and small group market segments in Maine.

The meeting notice informed the public that written comments would be accepted by email to Stacy.L.Bergendahl@maine.gov through 5:00pm EST on July 18, 2025.

Written comments were subsequently submitted by Mr. Demeritt on behalf of MAHP and Kristine M. Ossenfort on behalf of Anthem. Both Mr. Demeritt's and Ms. Ossenfort's comments largely tracked their in-person comments provided at the Forum.

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