Section 1332 of the Patient Protection and Affordable Care Act (ACA) State Innovation Waivers – Maine Merged Market and Reinsurance Waiver Annual Report

Reporting Instructions: Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on your specific terms and conditions (STCs), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked "if applicable," please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft Annual Reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE: Maine

A. Grantee Information

1.	Reporting Period End Date	12/31/25
2.	Report Due Date	3/31/26 - extension to 4/15/26
3.	Report Submitted On (Date)	
4.	Federal Agency and Organization Element to Which Report is Submitted	Consumer Information & Insurance Oversight
5.	Federal Grant Number Assigned by Federal Agency	1 SIWIW190005-01-00
6.	(a) UEI Grant Number	YMJKWKQM6XC6
	(b) EIN	016000001
7.	Recipient Organization Name	State of Maine - Maine Guaranteed Access Reinsurance Association
	Address Line 1	254 Commercial Street
	Address Line 2	5th Floor
	Address Line 3	Attn: C Howard

City	Portland
State	ME
ZIP Code	04101
ZIP Extension	

8. Grant Period Start Date: 1/1/2019

9. Grant Period End Date: 12/31/2027 - as extended

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

None

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.

(a) Typed or printed name and title of Authorized Certifying Official

Christopher E. Howard

(b) Signature of Authorized Certifying Official

Christopher E. Howard

Digitally signed by Christopher E. Howard
Date: 2026.09.14 08:37:02 -04'00'

(c) Telephone (area code, number, and extension)

207-791-1335

(d) Email address

choward@pierceatwood.com

(e) Date report submitted (month/day/year)

C. Progress of Section 1332 Waiver – General

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

The 2025 year was the MGARA program's 7th year of full operation under the Section 1332 Grant, its 4th year operating based on a retrospective model and its 3rd year servicing the merged individual and small group markets. The program is functioning according to plan with no material implementation or operational issues. We note that due to a series of factors, including MGARA's status quo funding of $4 per member per month, the addition of the small group market to its reinsurance program without any additional source of funding, the expiration of enhanced premium tax credits and subsequent reduction in federal pass-through funds is gradually reducing MGARA's ability to reduce premiums in the individual and small group markets. Solutions to this funding dynamic are under active consideration in

13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails and plans for and results of associated corrective actions. If challenges were described in a prior annual report, only report on changes and/or updates, as appropriate.

None

D. Progress of Section 1332 Waiver – State-specific

14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1). Please report data for the full plan year (i.e., PY 2025).

    For projections—Provide the most up-to-date projections available at the time of completing this report. If the state does not have recent projections, provide projections from the Pass-through Funding Report. In the Comments column, please specify which scenario the projections reflect.

    For actuals—Provide the most up-to-date actuals available at the time of completing this report. If the state does not have actuals reflecting the full plan year, insert a placeholder (e.g., TBD) and specify in the Comments column when the data will be available. Once final actuals are known, please update the Annual Report.

Metric	Value	Comments (if applicable)
a. Projected and actual individual market enrollment (total annual member months) **on** the Exchange in the state for the plan year	Projected: 790,053 Actual: 734,116	Projected Source: Rate Filings Actual Source: Supplemental Health Exhibit Reports
b. Projected and actual individual market enrollment (total annual member months) **off** the Exchange in the state for the plan year.	Projected: 76,756 Actual: 92,256	Projected Source: Rate Filings Actual Source: Supplemental Health Exhibit Reports
c. Projected and actual small group market enrollment (total annual member months) in the state for the plan year.	Projected: 594,354 Actual: 528,444	Projected Source: URRT's Actual Source: Supplemental Health Reports
d. Projected and actual individual market total annual collected premiums **on** the Exchange for the plan year.	Projected: $567,939,653 Actual: $546,186,523	Projected Source: Rate Filings Actual Source: Carrier Reported

Metric	Value	Comments (if applicable)
e. Projected and actual average individual market premium rate **on** the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected: $718.86 Actual: $744.01	Source: 14d.) / 14a.)
f. *To the extent available*, projected and actual individual market total annual collected premiums **off** the Exchange for the plan year.	Projected: $53,989,568 Actual: $66,943,820	Projected Source: Rate Filings Actual Source: Carrier Reported
g. *To the extent available*, projected and actual average individual market premium rate **off** the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected: $703.39 Actual: $725.63	Source: 14f.) / 14b.)
h. Projected and actual small group market total annual collected premiums for the plan year.	Projected: $452,577,587 Actual: $431,582,651	Projected Source: URRT's Actual Source: Rule 945 and Supplemental Health Reports
i. Projected and actual average small group market premium rate (i.e., total small group market premiums divided by total member months of all enrollees) for the plan year.	Projected: $761.46 Actual: $816.70	Source: 14h.) / 14c.)

Metric	Value	Comments (if applicable)
j. Actual Second-Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year-old non- smoker) in each rating area for the plan year.	Area 1: $408.34 Area 2: $435.70 Area 3: $445.70 Area 4: $433.83 Area 5: $464.04	Source: Rate Filings
k. Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year-old non- smoker) in each rating area for the plan year.	Area 1: $444.97 Area 2: $474.52 Area 3: $485.66 Area 4: $472.70 Area 5: $505.65	Source: Rate Filings
l. Large group market enrollment (total member months) and total collected premiums for the plan year.	Member Months: 1,929,462 Net Premiums: $1,450,912,918	Source: Supplemental Health Reports
m. Actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year.	Area 1: $144,830,121.98 Area 2: $78,820,631.24 Area 3: $44,504,900.22 Area 4: $47,786,945.47 Area 5: $54,633,852.28	Exchange Reported
n. Actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.	52,090	Exchange Reported

15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.

None

16. Describe any technical changes made to the state's waiver plan during the plan year (i.e., PY 2025), including but not limited to changes in: program funding levels; reinsurance payment parameters; reinsurance reimbursement eligibility criteria for enrollee claims. If there were no technical changes, please confirm the final payment parameters and program funding levels.

Secondly, if applicable, describe any technical changes being considered for the upcoming PY.

There were no technical changes during Plan Year 2025.

Program funding remained the same at a fixed $4 PMPM market wide assessment generating approximately $28,000,000 in revenue (estimated pending final quarterly installment results).

The reinsurance parameters for the 2025 Plan Year were as follows:

17. Describe any changes in state law or regulation that might impact the waiver and the date(s) these changes occurred or are expected to occur. For each state law or regulation, please provide its name, reference number, and link to its text.

There have been no changes to State law affecting the MGARA program. However, there are two bills pending in the Legislature that could result in changes to the MGARA funding mechanism that would result in increased funding. Those bills are currently in the Legislative process and despite strong support by the Committee of jurisdiction, the likelihood of passage is not known at this time.

Update a/o 9/14/26 in response to CMS Comments to Draft Report: The legislative proposal referred to above was not enacted, which results in no changes being made to MGARA's funding source or level.

18. Report on spending for the plan year (i.e., PY 2025). If information for the full PY is not available at the time of completing this report, please provide the most complete responses possible and specify the timeframe covered, OR insert a placeholder (e.g., TBD) and specify in the Comments column when the data will be available (e.g., after reinsurance payment calculations are received in [month]). Once final actuals are known, please update the Annual Report.

Metric	Value	Comments (if applicable)
a. Amount of federal pass-through funding spent on individual and small group claim payments to issuers from the reinsurance program for the plan year.	$43,398,022	
b. Amount of federal pass-through funding spent on operation of the reinsurance program (e.g., administrative costs, EDGE server fees, etc.) for the plan year.	$179,177	
c. Amount of any unspent balance of federal pass-through funding for the plan year.	None	All 2025 pass-through funds were expended in the 2025 year
d. Amount of state funding contributed to fully fund the program for the plan year.	$27,529,526	Estimate pending receipt of all Q4 2025 payments

19. If applicable, provide a claims breakout at an aggregate level for the top five conditions or cost drivers of the five conditions, including settings of care in the individual market.

N/A

20. If applicable, report on any strategies or incentives for providers, enrollees, and plan issuers to continue managing health care cost, claims, and utilization for individuals eligible for reinsurance.

The MGARA Plan of Operation requires claim management of reinsured and un-reinsured claims on an undifferentiated basis, reinforced through MGARA's annual audit function.

MGARA is operating an HPIS Pilot Program which resulted in $1,006,183 reduction in reinsurance payments to carriers due to claims expenses in excess of

21. If applicable, report any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high-cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high-cost risk adjustment program.

Metric	Value	Comments (if applicable)
a. Reinsurance payment (before reconciliation) for high- cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool.	N/A	No reconciliations to report. MGARA reinsurance parameters are set at levels designed to avoid duplicative reimbursement.
b. Risk adjustment amount paid by HHS for those claims.	N/A	
c. Reinsurance reconciliation (or true-up) amount applied.	N/A	

E. Post-Award Forum

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

- (●) Yes
- ( ) No

23. State website address where Post-Award Forum was advertised and where the Annual Report is posted. In addition, please ensure prior years' Annual Reports are posted on the state's website.

The notice was published on two web sites - www.mgara.org and www.maine.gov/pfr/insurance

24. Date Post-Award Forum took place:

June 30, 2025

25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received, number of participants in the forum, and actions taken in response to concerns or comments.

See Summary of Annual 2025 Post-Award Public Forum attached to 2025 Q2 Report.

26. Other Attachments (attach other documents as needed pertaining to Post-Award Forum)

F. State Internal Implementation Review – Attestation

27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).

- (●) Yes
- ( ) No

28. Describe the state's implementation review process.

During Plan Year 2025 the MGARA Board met with the program administrator and manager quarterly for a 1-2 hour meeting to receive reports on, and review of, all aspects of the program implementation. Follow up reports and meetings are held as required. MGARA is audited on an annual basis by it independent accounting firm.