New York Section 1332 Innovation Waiver

Essential Plan Expansion

DRAFT FOR PUBLIC COMMENT
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Submitted by the New York State Department of Health

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Section 1: Waiver Request and Essential Plan Overview

In an effort to continue to address the affordability of health insurance for New Yorkers, the State of New York is seeking approval on a proposed Section 1332 Waiver. The waiver will allow an expansion of New York's successful Essential Plan, currently operated under the Basic Health Program authority of Section 1331 of the Affordable Care Act. The Essential Plan has operated since 2015, providing more affordable and more comprehensive coverage to Premium Tax Credit (PTC)-eligible individuals with incomes up to 200% of the Federal Poverty Level (FPL).[1] The waiver will allow New York to expand the Essential Plan beyond the statutory population, reaching New Yorkers up to 250% of the FPL who would otherwise be eligible for subsidized coverage on the marketplace. Pass-through savings derived from the waiver will support the affordability of the Essential Plan for enrollees.

The waiver would be in effect from January 1, 2024 through December 31, 2028. New York is seeking a waiver of Section 36B of the Affordable Care Act concerning premium tax credits for individuals up to 250% of the FPL. New York residents that would otherwise be eligible for Advance Premium Tax Credits (APTC) or the Basic Health Program when they enroll in health coverage, would be required to enroll in New York's Essential Plan to access affordability programs and would be ineligible for PTC. New York would use the pass-through derived from the current Basic Health Program spending and the forgone premium tax credits to fund the Essential Plan.

While the waiver is in effect, New York is requesting a suspension of its current Basic Health Program blueprint. This suspension is requested to account for two elements of the program. The first is that maintaining a certified blueprint for the Basic Health Program is part of New York's without waiver baseline policy. In the event that the waiver is not in operation, New York must have its without waiver environment operating for consumers. Second, the 1332 waiver is, by definition, a time-limited project. At the end of the waiver, if the state or the federal government choose not to renew the waiver, New York would immediately revert back to the Basic Health Program model. In the interest of reducing coverage disruptions to as many consumers as possible, and given the administrative burden for both the federal government and the state to conduct a Basic Health Program blueprint, New York is requesting a suspension of is Basic Health Program for the duration of the waiver and the maintenance of New York's current Basic Health Plan trust fund to be used for the currently allowable uses.

The current Essential Plan is a "standard health plan" as defined under Section 1331 of the ACA and its implementing regulations (42 CFR 600 Subpart E). Under the waiver, New York would maintain the Essential Plan in accordance with the definition of a standard health plan. As such, the Essential Plan will include coverage of all Essential Health Benefits, and additional benefits,

[1] New York began its transition into a BHP on April 1, 2015, with individuals between 0-138% of FPL who are lawfully present non-citizens and do not qualify for federal financial participation in Medicaid due to their immigration status. These individuals were enrolled in Medicaid in New York, if otherwise eligible, without federal financial participation (NY-MA) and became eligible for the BHP. Beginning the 2015 open enrollment period for coverage that begins January 1, 2016, enrollment in BHP was opened to all individuals under age 65 between 138-200% of FPL who are not eligible for Medicaid or CHIP and do not have minimum essential coverage.

such as dental and vision. Any Essential Plan carriers that are defined as insurance companies will be required to operate the Essential Plan at a minimum medical loss ratio of at least 86%.

Current Essential Plan Enrollees

The waiver will not impact the experience for the current enrollees in the Essential Plan. While the formal authority for the program would shift from a Section 1331 program to a Section 1332 waiver, no eligibility or enrollment processes would change, no premium or cost-sharing would change, no benefits would change and there would be no change in choice of plans due to the waiver. In practice, the operation of the Essential Plan Expansion would be no different than the current Essential Plan experience for this population.

Current 200-250% of FPL Marketplace Enrollees

Under the waiver, individuals who would otherwise be PTC-eligible up to 250% of FPL will be enrolled in the Essential Plan. New consumers entering the market will experience the same eligibility and enrollment processes as a new enrollee with an income of up to 200% of FPL currently experiences. Those consumers currently enrolled in a QHP who have been deemed PTC eligible and for whom any updated data suggests an income level at or below 250% of FPL will be automatically enrolled in an Essential Plan, mapped to their same carrier, or auto-assigned into a plan if they do not choose one. Of the over 90,000 expected enrollees in the Essential Plan in this group, fewer than 300 are enrolled with a carrier that does not offer an Essential Plan. These enrollees will be auto-assigned into a plan based if they do not choose one.
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Persons who are newly enrolling (i.e., not transitioning from a QHP product on the marketplace) will apply and have eligibility determined through New York's single streamlined eligibility system. If a person is deemed eligible for the Essential plan, the individual will have a choice of plans for enrollment. Enrollment for the Essential Plan is open all year round, consistent with New York's Medicaid and Children's Health Insurance Program (CHIP).

Waivable Provision

To carry out its waiver plan, New York proposes to waive section 36B of the Internal Revenue Code, as permitted under section 1332(a)(2) and will waive any other provisions the Departments deem necessary to implement this waiver plan. Specifically, New York would waive section 36B(c)(2)(B) to the extent it would otherwise provide that a month is a "coverage month" (and therefore PTC or APTC may be permitted for that month) if an individual is under age 65 and has in effect a determination by the Exchange that their estimated household income is at or below 250% of the federal poverty level (FPL). In effect, the months in which the NY State of Health determines individuals eligible for the with-Waiver Essential Plan are months in which they are not eligible for PTC or APTC, and vice versa

Waiving this provision is integral to the waiver plan and to eligibility for pass-through funding. The waiver plan requires that most individuals with estimated household incomes at or below 250% of FPL—generally those who are eligible for the new EP—be ineligible for APTC and PTC. However, PTC must be available to narrow groups of these individuals. First, individuals who receive APTC after being projected to have estimated household incomes above 250% but then end up with income at or below 250% for the year must be eligible for PTC to avoid owing back the APTC they have received. PTC must also be available to otherwise-eligible individuals who purchase a QHP without applying for financial assistance and then end up with income at or below 250% for the year.

PTC must also be available to individuals with EP-eligible incomes who are aged 65 and over and are not eligible for Medicare. Under normal BHP rules, individuals aged 65 and over and not eligible for Medicare are excluded from the BHP and thus may be eligible for PTC even in states with a BHP in place. New York is seeking to maintain that structure of eligibility under the waiver, so individuals over 65 will need to continue to be eligible for PTC.

The waiver addresses these constraints by denying PTC (and thus APTC) to individuals under age 65 for months when they have in effect a determination by the Exchange that their estimated household income is up to 250% of FPL. Specifically, New York would waive the definition of "coverage month" in section 36B(c)(2). Under section 36B, a "coverage month" is a month when an individual may be eligible for PTC (and therefore APTC). Under the waiver, a month would not be a coverage month for an individual under age 65 if a determination by the Exchange was in effect that the individual had an estimated household income at or below 250% of FPL. As a result, individuals who apply at the Marketplace and are determined to have income at or below 250% of FPL would not be eligible for APTC or PTC, even if they chose to enroll in a QHP and pay the full premium out-of-pocket. However, individuals who are determined by the Exchange to have incomes over 250% of FPL, or who are not determined eligible for financial assistance, or who are over 65, could still be eligible for PTC if they enroll in a QHP. This is consistent with current BHP operations.

This structure would ensure that individuals found eligible for EP cannot receive APTC or PTC but that PTC continues to be available where appropriate. Reinforcing this policy is New York's position as a state-based Marketplace that has full integration with its public programs (Medicaid, CHIP, and BHP) and QHPs with and without APTC for both eligibility and enrollment processes. Under this waiver, New York will leverage existing safeguards to prevent members from becoming eligible to enroll in more than one program. This would preserve the savings from suspending the BHP to support pass-through funding.

This approach would not require any substantial new effort by the IRS. All 1095-A reporting and return processing could occur using the normal rules. The IRS could make a small change in Pub. 974 (Premium Tax Credit) to note the special firewall rule in New York state.

At the option of the Departments, New York may also seek to waive Code section 5000A(f)(1) to clarify that the new EP is Minimum Essential Coverage (MEC). The new EP will readily meet all of the eligibility requirements for designation as MEC under section 5000A(f)(1)(E).

Essential Plan Detailed Description

The Essential Plan is an affordable coverage alternative to be offered to waiver populations through this waiver proposal. Though the state will not be operating a Basic Health Program as described under Section 1331 of the ACA, the Essential Plan will exactly mirror the requirements of a “standard health plan” as defined by Basic Health Program statutes and rules. New York’s Essential Plan covers all 10 essential health benefits in alignment with New York’s EHB benchmark plan, while also covering dental and vision benefits. The Essential Plan provides these comprehensive benefits, with little-to-no monthly premium, no annual deductible, free preventive care, and low copayments. The benefit design of the Essential Plan leads to a plan with a much lower cost sharing burden for enrollees, equivalent to a 91.5% AV based on CMS’s Actuarial Value Calculator.

The Essential Plan is a standardized set of benefits and cost-sharing designs, offered solely to eligible populations by private companies in New York (similar to Medicaid Managed Care).

New York currently funds the administration of the Essential Plan through a state appropriation ($75 million in State Fiscal Year 22-23). This appropriation is provided to the Department of Health for personnel and contracts to support oversight, compliance, customer service, IT system upgrades and maintenance, among other administrative functions. This state appropriation would continue under the waiver.

New York’s experience with the Essential Plan under its Basic Health Program demonstrates the importance of making affordable coverage available to low-income consumers. New York recently took steps to both increase the affordability and enhance the benefits for low-income New Yorkers enrolled in the Essential Plan. In June 2021, New York eliminated monthly consumer premiums and added dental and vision benefits with no cost-sharing for individuals enrolled in the Essential Plan. Compared to a QHP, the Essential Plan reduced both premium and out-of-pocket costs for enrollees by more than $1,600, saving New Yorkers an estimated $940 million a year in 2022.

The take-up rate in the Essential Plan is in part demonstrative of how critical affordability is in driving enrollment. Among individuals determined eligible for the Essential Plan, take-up is 97 percent, compared with 47 percent for consumers determined eligible for QHP. The Essential Plan continues to be very popular in 2023, with over 1 million enrollees.

Comparing the Essential Plan to Qualified Health Plans

The following table describes the differences between the Essential Plan and Qualified Health Plans:

Plan Management Functions	QHP Policy	Essential Plan Policy
Licensure and solvency requirements	Be licensed as an insurer under Articles 32 or 42 of the NY State Insurance Law, or a corporation or organization under 43 of NY State Insurance Law, or an organization certified under Article 44 of NY Public Health Law, in good standing, and in compliance with state solvency requirements at the time the application is submitted; or Have applied for such licensure and reasonably anticipate being (1) licensed or certified prior to September 1, 2022, and (2) demonstrate to the satisfaction of the DOH that they have the capacity to be fully operational by September 1, 2022.	Under the State BHP statute, an "eligible" EP/BHP organization must be a licensed Health Insurance Company under Article 42 of the NY State Insurance Law, a licensed Non-profit Medical Indemnity or Health and Hospital Services Corporation under Article 43 of the NY State Insurance Law, or certified HMO under Article 44 of the NY State Public Health Law. See NY State Social Service Law (SSL) section 369-gg(1)(a). Currently, all EP issuers are either licensed under NY Insurance Law Article 43 as non-profits or HMOs under article 44 of the Public Health Law. The commissioner (or her designee) approves eligible organization through our EP certification process. See NY SSL section 369-gg(1)(b). Types of Eligible EP/BHP Organizations: 1. Licensed for-profit Insurance Companies (currently none in NY) 2. Licensed non-profit Medical Indemnity or Health and Hospital Services Corporations (currently 5 in NY) 3. Certified Health Maintenance Organizations (currently 9 in NY)
Health Insurer Product Offerings	Must offer the standard products determined by NYSOH and are allowed to offer up to 2 Non-Standard Plans per metal level (subject to other requirements in the plan invitation). Standard benefit designs for QHPs: https://info.nystateofhealth.ny.gov/sites/default/files/Attachment%20B%20-%202023%20Standard%20Plans%20revised%207-13-22.pdf	Must offer the standard product for each EP tier determined by NYSOH. There will be 5 EP tiers: • EP 200-250 (200-250% FPL): $15 premiums, $0 deductibles, MOOP = $2,000 • EP 1 (150-200% FPL): $0 premiums, $0 deductibles, MOOP = $2,000 • EP 2 (138-150% FPL): $0 premiums, $0 deductible, MOOP = $200 • EP 3 (100-138% FPL): $0 premiums, $0 deductible, MOOP = $200 • EP 4 (0-100% FPL): $0 premiums, $0 deductible, MOOP = $0 Standard benefit designs for Essential Plan: https://info.nystateofhealth.ny.gov/sites/default/files/Attachment%20G%20-%20EP%20Benefits%20and%20Cost-Sharing_1.pdf

Plan Management Functions	QHP Policy	Essential Plan Policy
Benefits Standards	Covers Essential Health Benefits	Covers Essential Health Benefits, vision and dental. Former state-funded Medicaid population is also eligible for additional benefits, such as non-emergency transportation, orthodontia, etc.
Network Adequacy	Maintains sufficient network to meet NYS standards regarding access, availability and network composition. Ensure issuers submit for review appointment availability.	Same as QHP
Quality Assurance	Systems/mechanisms in place to support quality assurance activities, including quality strategy implementation, quality improvement and quality reporting.	Same as QHP
Reporting	Must meet quality and encounter data reporting standards.	Same as QHP.
Marketing	Complies with all NYS marketing laws and regulations and make marketing materials available upon request.	Same as QHP.
Rates of premium/ capitation payments	Submitted by Issuers and approved by the NY State Department of Financial Services (DFS) Rate filing instructions are released annually by DFS: https://www.dfs.ny.gov/system/files/documents/2022/04/2023_rate_filing_instructions_04082022.pdf	Department of Health contracts with an actuary to develop capitation rates (in a manner that largely aligns with Medicaid Managed Care) to take into account the adequacy of rates of payment in relation to the population to be served adjusted for case mix, the scope of health care services approved organizations must provide, the utilization of such services and the network of providers required to meet state standards. If expected health care utilization/costs exceed capitation rates paid to plans, mid-year rate adjustments will continue to be made as is done today. In other words, by making rate updates as needed the state is taking on the risk of the program rather than insurers.

Plan Management Functions	QHP Policy	Essential Plan Policy
		Unlike in the QHP market where the issuer bears the financial risk if approved premium rates do not appropriately account for the claims experience for its members, the State is the primary entity that bears the financial risk for the EP. If expected health care utilization/costs exceed capitation rates paid to plans, mid-year rate adjustments will continue to be made as is done today. In other words, by making rate updates as needed the state is taking on the risk of the program rather than insurers. For example, when COVID-19 case rates and testing increased in early 2022 due to the Omicron variant, the actuary developed, and EP trustees approved, a rate adjustment.
Definition under state law	"Qualified health plan" means a health plan that meets the criteria for certification described in § 1311(c) of the Patient Protection and Affordable Care Act (P.L. 111-148), and is offered to individuals through the health insurance exchange marketplace.	"'Basic health insurance plan' means a standard health plan, separate and apart from qualified health plans, that is issued by an approved organization and certified in accordance with this section." N.Y. Soc. Serv. Law § 369-gg(1)(e) (McKinney).
Contracting	Insurers are required to file with and receive approval from the Superintendent of the Department of Financial Services, its premium rates and policy or contract forms pursuant to the insurance law and/or this chapter. The Department of Health enters 5-year contracts with participating organizations participating in the NY State of Health marketplace.	"'Approved organization' means an eligible organization approved by the [Commissioner of Health] to underwrite a basic health insurance plan …." The Department of Health enters 5-year contracts with participating organizations. N.Y. Soc. Serv. Law § 369-gg(1)(b) (McKinney).

Timeline for Implementation

Because New York already offers the Essential Plan that would be basically unchanged, implementation of the expansion focuses on systems changes, marketing and outreach efforts, and developing rates based on the new population.

Essential Plan Expansion Implementation	
Quarter 2, 2023	● Finalize business requirements for IT system changes to the NY State of Health application portal to update eligibility and enrollment rules for the Essential Plan. ● Build new eligibility and enrollment rules based on business requirements. Begin testing of new rules. ● Begin the rate-setting process for PY24 EP inclusive of waiver populations. ● Provide issuer guidance for EP and QHP market given the transition of 200-250% of FPL population to QHPs. ● Develop outreach plan to waiver populations, especially to the small population of QHP members 200-250% of FPL who do not have an Essential Plan matching plan. ● Carriers submit rate and form filings for QHPs ● Department of Health reviews and updates contracts for Essential Plan carriers.
Quarter 3, 2023	● Trainings on Essential Plan expansion for NY State of Health staff, Certified Enrollment Assistors, Customer Service Center, and Appeals Staff are developed and delivered. ● DFS reviews and approves QHP plan filings and rates. ● Essential Plan rates released and approved by the Department of Health. Participating insurers are briefed on the rates and provided an opportunity to comment. ● Systems changes and testing are complete and are prepared for implementation. Internal Quality Assurance group conducts review of eligibility determinations and enrollments prior to notice release to consumers. ● Paid advertising, in-person, and virtual outreach campaign begins, including partnerships with community organizations.
Quarter 4, 2023	● Auto-renewal process occurs, and currently covered waiver populations are mapped to Essential Plan offerings. ● Open enrollment for new enrollees begins and mapped auto-renewals can choose different Essential Plan options.
Quarter 1, 2024	● New Essential Plan coverage begins. ● Initial enrollment figures are shared with federal partners.

Expected Federal Savings and Pass-through Request

The Essential Plan proposes a model of coverage that will result in the opportunity for pass-through from PTC savings. The waivable provision will create pass-through as PTC would no longer be available for those consumers that the marketplace determines to have incomes at or below 250% FPL. The total pass-through amount would be reduced by a slight increase in PTC outlay for individuals that remain PTC eligible in the individual market. New York expects a slight increase in risk pool acuity resulting from the removal of the 200-250% FPL enrollees from the market, causing limited premium increases in the QHP market.

New York requests pass-through funding in the amount of the savings in federal expenditures for premium tax credits as a result of the implementation of the Essential Plan Expansion.

New York proposes that the pass-through funding will support the affordability of the Essential Plan for all enrollees. The following tables describe the expected enrollment, premium, and federal spend for the Essential Plan under the waiver:

Impacts of Waiver Compared to Baseline: Enrollment

Enrollment	2024	2025	2026	2027	2028	5-Year Total
Individual Market Enrollment						
Without Waiver	302,692	302,094	273,412	273,592	273,784	1,425,574
With Waiver	232,024	231,365	208,157	207,980	207,812	1,087,338
Difference	(70,669)	(70,729)	(65,255)	(65,612)	(65,972)	(338,236)
Percent Difference	-23%	-23%	-24%	-24%	-24%	-24%
Essential Plan Enrollment						
Without Waiver	970,000	994,000	1,020,000	1,040,000	1,060,392	5,084,393
With Waiver	1,060,756	1,093,583	1,112,834	1,133,148	1,153,855	5,554,176
Difference	90,756	99,583	92,834	93,148	93,462	469,783
Percent Difference	9%	10%	9%	9%	9%	9%
Total Enrollment						
Without Waiver	1,272,692	1,296,094	1,293,412	1,313,592	1,334,176	6,509,966
With Waiver	1,292,779	1,324,947	1,320,992	1,341,128	1,361,667	6,641,513
Difference	20,087	28,854	27,580	27,536	27,490	131,547
Percent Difference	1.6%	2.2%	2.1%	2.1%	2.1%	2.0%

Impacts of Waiver Compared to Baseline: Premiums

Premiums	2024	2025	2026	2027	2028	5-Year Total
Individual Market Average Premium (PMPM)						
Without Waiver	$711	$745	$783	$820	$860	$782
With Waiver	$730	$765	$805	$843	$883	$803
Difference	$19	$20	$22	$23	$24	$21
Percent Difference	2.6%	2.6%	2.8%	2.8%	2.8%	2.7%
Essential Plan Average Premium (PMPM)						
Without Waiver	$560	$583	$606	$630	$655	$608
With Waiver	$567	$590	$613	$638	$663	$615
Difference	$7	$8	$7	$8	$8	$7
Percent Difference	1.3%	1.3%	1.2%	1.2%	1.2%	1.2%

Impacts of Waiver Compared to Baseline: Federal Spend

Federal Spend/Deficit	2024	2025	2026	2027	2028	5-Year Total
Individual Market Federal Spend						
Without Waiver	$703	$774	$443	$492	$544	$2,956
With Waiver	$517	$570	$267	$296	$328	$1,978
Difference	($186)	($203)	($176)	($195)	($216)	($977)
Percent Difference	-26%	-26%	-40%	-40%	-40%	-33%
Essential Plan Federal Spend						
Without Waiver	$9,170	$9,850	$9,782	$10,454	$11,172	$50,429
With Waiver	$0	$0	$0	$0	$0	$0
Difference	($9,170)	($9,850)	($9,782)	($10,454)	($11,172)	($50,429)
Percent Difference	-100%	-100%	-100%	-100%	-100%	-100%
Employer Penalty Revenue Reduction						
Without Waiver	($3)	($3)	($3)	($3)	($4)	($16)
With Waiver	$0	$0	$0	$0	$0	$0
Difference	$3	$3	$3	$3	$4	$16
Percent Difference	-100%	-100%	-100%	-100%	-100%	-100%
Total Federal Spend						
Without Waiver	$9,871	$10,620	$10,222	$10,943	$11,713	$53,369
With Waiver	$517	$570	$267	$296	$328	$1,978
Difference	($9,354)	($10,050)	($9,955)	($10,646)	($11,385)	($51,391)
Percent Difference	-95%	-95%	-97%	-97%	-97%	-96%

Summary of Federal Savings and Requested Passthrough (Dollars in $ Millions)

	2024	2025	2026	2027	2028	5-Year Total
PTC Savings (BHP Suspension)	$9,170	$9,850	$9,782	$10,454	$11,172	$50,429
PTC Savings (200 – 250% of FPL)	$186	$203	$176	$195	$216	$977
Loss in Employer Shared Responsibility Fees	($3)	($3)	($3)	($3)	($4)	($16)
Total Federal Savings	**$9,354**	**$10,050**	**$9,955,**	**$10,646**	**$11,385**	**$51,391**
Requested Passthrough	$9,354	$10,050	$9,955	$10,646	$11,385	$51,391
Federal Savings After Passthrough	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

In addition to the affordability programs under the waiver, New York would use passthrough to support a Quality Incentive Pool for Essential Plan insurers. This pool is currently in existence under the Basic Health Program authority and would continue to operate in the same manner. Established in 2022, the Quality Incentive Pool is awarded to participating Essential Plan carriers based on results from their health plan quality data submissions. In recent years, New York's Quality Incentive Pool scoring methodology emphasized improved race/ethnicity reporting in quality data and the administration of social determinants of health screenings for all Essential Plan enrollees.

Medicaid Continuous Coverage and the Consolidated Appropriations Act, 2023

Under the Families First Coronavirus Relief Act, states were eligible for enhanced matching funds for Medicaid enrollees for keeping them enrolled for the duration of the COVID-19 Public

Health Emergency (PHE). New York received CMS approvals to extend this policy to CHIP and the BHP. With the subsequent passage of the Consolidated Appropriations Act in late 2022, the continuous coverage requirement will end after March 31, 2023. In accordance with CMS guidance, New York expects to begin redeterminations for Medicaid, BHP, and CHP enrollees in April for individuals with a coverage end date of June 30, 2023, and completing with cases with May 31, 2024 end dates. Included in this draft application are enrollment estimates that consider coverage transitions that are expected in this so-called "PHE unwind" process.

New York is continuing to evaluate expected enrollment following the PHE unwind, which may result in changes to analyses in future iterations of this application.

Section 2: Analysis of Proposed Waiver

Impact on 1332 Statutory Guardrails

The proposed waiver will meet all four ACA Section 1332 guardrails, described in detail below. The guardrail analysis is centered on the individual market. New York does not project a measurable impact on the small group market as an effect of the waiver.

The analyses presented here and in the actuarial analysis assume current law. Specifically, the analyses presume the current subsidy structure under the Affordable Care Act through plan year 2025, as enacted by the Inflation Reduction Act. For additional scenarios, see the actuarial analysis.

Impact of Waiver in the Individual Market

The following section discusses the impact of the waiver's individual market elements on the four Section 1332 waiver statutory guardrails. The analysis considers the alternative coverage structure and the use of pass-through funding to support the affordability for the Essential Plan under the waiver.

1. Scope of Coverage (1332(b)(1)(C)):

   The waiver proposes to increase the affordability of coverage for the waiver population. As a result, New York expects an increase in overall enrollment.

   New York expects a small loss of coverage due to the increased premium impact of moving the 200-250% of FPL population out of the individual market risk pool. However, the increased enrollment due to the increased affordability due to the waiver eclipses by several fold much lower coverage losses among higher income consumers whose incomes exceed financial assistance levels. New York does not project any loss in carrier participation as a result of the waiver.

2. Affordability (1332(b)(1)(B)):

   The Essential Plan Expansion creates a coverage program that is significantly more affordable than the currently available options when considering overall cost of coverage. For the current Essential Plan enrollees, there will be no change in costs. For current APTC/QHP consumers between 200 and 250% of FPL, the Essential Plan premium will be $15 per month per enrollee.

It is important to note that for the 200-250% of FPL group, the affordability analysis considers total cost to consumers, not just premium costs. Thus, the overall affordability based on out-of-pocket spending is improved for these consumers under the waiver. Given the current premium and subsidy structure, there are consumers on the New York marketplace who are eligible for Bronze plans at premiums under $15, including $0 premiums. However, these plans include a significant cost sharing burden on consumers. While there is a $15/month premium in the Essential Plan for these members ($180/year), there is no deductible and the maximum out of pocket is limited to $2,000. The Actuarial Value of the Essential Plan is 91.5% compared to a weighted Actuarial Value of72.2.% for consumers with incomes of 200-250% of FPL in the market today. Assuming the 200 – 250% FPL consumers maintain similar service utilization patterns, out-of-pocket spending is improved for these consumers between $1,750 and $2,150 per year under the waiver.

The affordability increase for the 200-250% of FPL population is estimated to be $7,400 per year, which is roughly 20% of this population's income. Consumers with incomes above 400% of FPL are expected to see affordability reductions on average of $325 per year. The affordability reduction of $325 per year falls in the range of 0.1% to 0.5% of income for unsubsidized On-exchange and Off-exchange consumers.

3. <u>Comprehensiveness (1332(b)(1)(A)):</u>

   The Essential Plan Expansion does not impact the comprehensiveness of coverage available to New York consumers. The Essential Plan provides the essential health benefits to enrollees in the same manner as a QHP and includes adult dental and vision benefits.

4. <u>Deficit Neutrality (1332(b)(1)(D)):</u>

   New York anticipates that the waiver will meet the deficit neutrality guardrail and generate savings for the federal government even after passthrough is deducted.

Summary of Guardrail Compliance

<table>
<tr><th>Guardrail</th><th>Estimated Impact With Waiver Compared to Without Waiver</th></tr>
<tr><td>Comprehensiveness</td><td>The Waiver is projected to meet the comprehensiveness guardrail as consumers have access to more comprehensive coverage compared to the baseline without waiver scenario.
Consumers with incomes between 200 – 250% of FPL will experience an increase in comprehensiveness.
There are no expected impacts for other consumers in the individual market.
There are no expected impacts for other consumers in the Essential Plan.</td></tr>
<tr><td>Affordability</td><td>The Waiver is projected to meet the affordability guardrail as the overall affordability across the market is improved compared to the baseline without waiver scenario.
Affordability for current Essential Plan members is not expected to change.
Affordability for consumers with incomes between 200-250% of FPL is expected to improve under the Waiver for an aggregate savings of $2.4 billion over the 5 years of the Waiver.
The average annual affordability increase of $7,400 per year ($5,450 in premiums, $1,950 in out-of-pocket spend) is roughly 20% of income for the 200-250% FPL population.
Affordability for subsidy-ineligible On-exchange consumers and Off-exchange consumers is expected to decrease slightly as premiums are expected to increase by an additional 2.2% in 2024 under the Waiver.
The average annual affordability reduction of $325 per year falls in the range of 0.1% to 0.5% of income for subsidy-ineligible On-exchange and Off-exchange consumers.</td></tr>
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The net federal spend under the waiver is estimated to decrease by $9.4 Billion in PY 2024 and $51.4 Billion over the 5-year waiver period, before pass-through funding.</td></tr>
</table>

Impact on Health Equity

New York has centered efforts to advance health equity for more than a decade and the expansion of the Essential Plan is a key strategy to continue that effort by reaching a group of New Yorkers that have been left behind by previous policy efforts. In fact, as part of its New York State Prevention Agenda: 2019-2024, New York has defined its overarching strategy to "implement public health approaches that improve the health and well-being of entire populations and achieve health equity."[2]

With this waiver, New York seeks to increase affordability for a group of lower-income individuals for whom the current affordability levels can still be financially challenging.

Health coverage is a critical building block toward overall health in the American system. The National Institutes of Medicine (IoM) connected these issues in their seminal 2001 "Coverage Matters: Insurance and Health Care".[3] In this study, the IoM highlights that persons without coverage are less likely to have a usual source of care and less likely to receive health care services, even for significant needs.

This waiver represents a significant opportunity to extend coverage to communities in the state that are disproportionately uninsured when measured by racial/ethnic identity by extending the affordability of the Essential Plan to higher income levels. New York sees this opportunity to address coverage disparities, and through coverage, advance health equity in the state as a key success factor for the waiver.

[2] https://www.health.ny.gov/prevention/prevention_agenda/2019-2024/docs/ship/overview.pdf
[3] Institute of Medicine (US) Committee on the Consequences of Uninsurance. Coverage Matters: Insurance and Health Care. Washington (DC): National Academies Press (US); 2001.

Section 3: Authority Under State Law

Evidence of sufficient authority under state law(s) in order to meet the PPACA section 1332(b)(2)(A) requirement for purposes of pursuing the requested waiver.

On April 9, 2022, Governor Hochul signed into law Chapter 56 of the Laws of 2022. Part BBB of the chapter authorizes the commissioner of health to seek a Section 1332 waiver to support the expansion of the Essential Plan to New Yorkers under 250% of the Federal Poverty Level.

New York is currently considering legislation that would modify that state's authority to apply for an implement a 1332 waiver. The legislation is part of the FY 2024 Executive Budget. The specific language is included as an attachment.

Section 369-gg of the Social Services Law of New York provides for the creation of the Essential Plan.

Section 4: Evidence of Public and Tribal Consultation and Comment

[To be completed after the Public Comment period]

Section 5: Additional Information

Administrative Burden

The Essential Plan Expansion will cause minimal administrative burden for the State of New York and the federal government. However, new Essential Plan enrollees who were previously covered with PTC-funded QHPs will no longer need to reconcile tax credits on their federal tax returns. Individual health insurers will not experience administrative burden as enrollees shift from one coverage program to another, as this is a current process that insurers already perform across all programs administered by NY State of Health, including all insurers that participate in the Essential Plan and QHP (11 of 12 insurers).

New York has the staff and resources necessary to absorb the following administrative tasks that would be required under the waiver:

- Administer the Essential Plan
- Account for and distribute federal pass-through funds
- Conduct appropriate eligibility determinations
- Monitor compliance with federal law
- Collect and analyze data related to the waiver
- Perform reviews of the implementation of the waiver
- Submit all required reports to the federal government

The waiver will require the federal government to perform the following administrative tasks:

- Review any documented complaints related to the waiver
- Review State reports
- Periodically evaluate the State's waiver program
- Calculate and facilitate the transfer of pass-through funds to the State

New York believes that the above administrative tasks are similar to other administrative functions currently performed by the federal government, so that their impact is minimal.

Implementation of Non-Waived ACA Provisions

The implementation of this waiver application does not have any impact on the implementation of those provisions of the ACA that are not being waived.

Impact on Residents Who Need to Obtain Health Care Services Out-of-State

Because New York shares borders with Connecticut, Massachusetts, New Jersey, Pennsylvania, and Vermont, insurer service areas and networks that cover border counties generally contain providers in those states, especially in areas where the closest large hospital system is located in the border state. It is expected that provider networks in service areas where out-of-state providers are commonly used will include those out-of-state providers. In general, is a high degree of overlap between QHP and EP provider networks (over 95%).

Compliance, Waste, Fraud, and Abuse

The New York State Department of Health is responsible for regulatory and contractual compliance for Essential Plan carriers, eligibility and enrollment program integrity and providing consumer outreach. The New York State Department of Financial Services (DFS) is responsible for regulating licensing and ensuring regulatory compliance and monitoring the solvency of all health insurance companies and performing market conduct analysis, examinations, and investigations. DFS investigates all complaints that fall within the agency's regulatory authority.

State Reporting Requirements and Targets

The New York State Department of Health will submit quarterly and annual reports as specified in 45 CFR 155.1324.

Each quarterly report will include the following:

1) The progress of the section 1332 waiver;
2) Data necessary to demonstrate compliance with Section 1332(b)(1)(A) through (D) of the ACA;
3) A summary of the annual post-award public forum, held in accordance with 45 CFR 155.1320 (c), including all public comments received at the forum regarding the progress of the waiver, and any actions taken in response to comments received;
4) Other information the New York Department of Health determines necessary to evaluate the waiver and accurately calculate the pass-through payments to be made by CMS; and
5) Reports of ongoing operational challenges, if any, and plans for, and results of, corrective actions that have been taken.

The New York State Department of Health will submit a draft annual report within ninety (90) days after the end of the first waiver year, and each subsequent year that the waiver is in effect. The Department will publish the draft annual report on its website within thirty (30) days of submission of the draft report to CMS. Within sixty (60) days of receipt of comments from CMS on the draft annual report, the Department will submit the final annual report for the waiver year. That submission will include a summary of the comments received, as well as a copy of the comments submitted to the Department on the draft annual report. Once the final annual report is approved by CMS, the Department will publish the final annual report on its website within thirty (30) days of that approval.

The annual report prepared by the Department will include the following:

1) Metrics to assist evaluation of the waiver's compliance with the requirements found in section 1332(b)(I):

    a. Actual individual market enrollment in the state

    b. Actual Essential Plan enrollment in the state

    c. Actual average individual market premium rate (i.e., total individual market premiums divided by total member months of all enrollees)

    d. The actual Second Lowest Cost Silver Plan (SLCSP) premium under the waiver and an estimate of the SLCSP premium as it would have been without the waiver, for a representative consumer (e.g., a 2l-year old non-smoker) in each rating area.

    e. The actual amount of APTC paid, by rating area, for the plan year.

    f. The actual number of APTC recipients for the plan year. The number should be the number summed over all 12 months and divided by 12 to provide an annualized measure.

    g. An estimate of the amount of APTC that would have been paid without the waiver.

    h. An estimate of the number of APTC recipients for the plan year. The number should be the number summed over all 12 months and divided by 12 to provide an annualized measure.

2) Changes to the waiver programs, including the funding level the program will be operating at for the next plan year, or other program changes

3) Notification of changes to State law that may impact the waiver

4) Reporting of:

    a. Federal pass-through funding spent on Essential Plan payments to carriers by eligibility group

    b. The unspent balance of federal pass-through funding for the reporting year, if applicable.

5) Any rate changes made mid-year to account for unexpected utilization of health care services.

6) A description of any incentives for providers, enrollees, and plan issuers to continue participating in the Essential Plan.

Quarterly and other Reports - Pursuant to 45 CFR 155.1320(b), and 45 CFR 155.1324(a), the Department will conduct periodic reviews related to the implementation of the waiver. A report on the operation of the Essential Plan Expansion available due to this waiver will be submitted by April 30, 2024. The Department will report on the operation of the waiver quarterly, including, but not limited to providing reports of any ongoing operational challenges, and plans and results of associated corrective actions, no later than sixty (60) days following the end of each calendar quarter. The Department will submit its annual report in lieu of their fourth quarter report. The Department will submit and publish annual reports by the deadlines established in 45 CFR 155.1324(c) or the deadlines established by the terms of the waiver.

Section 6: Actuarial and Economic Analysis of Waiver

[see attached actuarial and economic analysis]

Section 7: Attached Materials

Appendix A – Authorizing Legislation

Appendix B – Public Comment Materials

[insert after public comment period]

State of New York

Section 1332 Innovation Waiver PY 2024 – 2028

Actuarial and Economic Analysis

Draft for Public Comment

February 9, 2023

Contents

Section 1: New York 1332 Waiver Background

1.1 – Background

New York's Essential Plan

Since 2015, the State of New York Department of Health (DOH) has operated a Basic Health Program (BHP), called the Essential Plan, under Section 1331 of the Affordable Care Act (ACA). The Essential Plan is offered through the State's Health Insurance Exchange (NY State of Health) which is a division of DOH.

There are nine rating regions for the Essential Plan. Twelve health issuers offer coverage of the Essential Plan through NY State of Health. The Essential Plan has no deductible, very low cost-sharing, and offers medical coverage in alignment with the Essential Health Benefits required by the ACA, in addition to dental and vision coverage, for eligible consumers up to 200% of the Federal Poverty Level (FPL).

Unlike the individual market, DOH sets capitation rates for issuers of the Essential Plan in a manner similar to Medicaid Managed Care. The rates are approved by the Essential Plan Board of Trustees. DOH currently contracts with Deloitte Consulting, LLP ("Deloitte") to support the development of capitation rates for both Medicaid Managed Care and the Essential Plan. The rates consider the adequacy of payment in relation to the population to be served which are adjusted for case mix, the scope of health care services approved organizations must provide, the utilization of such services, the network of providers required to meet state standards, and any new policy changes.

There are two types of members within the Essential Plan. The first group are members with incomes above 138% up to 200% of FPL who would otherwise be eligible for Qualified Health Plans (QHPs) and Advance Premium Tax Credits (APTCs). The second group are former state-funded Medicaid members (known as the Aliessa population[1]) with incomes up to 138% of FPL. In addition to the Medical, Dental, and Vision benefits provided by the Essential Plan, the former fully state-funded Medicaid population is also eligible for additional benefits, such as non-emergency transportation and orthopedic services.

[1] The Aliessa population is composed of lawfully present individuals who have lived in the United States for 5 years or less and are not eligible for federally-funded Medicaid but have been covered by New York State from 2001-2014 in state-funded Medicaid and since 2015 through the BHP.

Table 1.1.1: New York Essential Plan Rate Cohorts for PY 2023

Rate Cohorts	Population	Income	Ages	Premium	Deductible	Cost Sharing	Max Out-Of-Pocket
1	Non-Medicaid	151 – 200% FPL	19-64	$0	$0	Yes	$2,000
2	Non-Medicaid	139 – 150% FPL	19-64	$0	$0	RX only	$200
3	Aliessa	100 – 138% FPL	19-64	$0	$0	RX only	$200
4	Aliessa	< 100% FPL	19-64	$0	$0	No	$0

The State receives annual federal funding for the Essential Plan equivalent to 95% of what eligible individuals enrolled in the Essential Plan would have received in PTCs for QHPs on a per-member basis. For the annual BHP payment, the State has the choice of receiving annual federal payments for the Essential Plan population based on either actual premium growth on New York's QHP market or the "Premium Trend Factor"[2].

New York's Individual Market

Twelve issuers offer plans in the individual market, both On- and Off-exchange. New York's Department of Financial Services (DFS) sets the rating regions and reviews and approves QHP and Stand-Alone Dental Plan (SADP) premium rates. There are eight rating regions for the individual market, which are different than the nine regions for the Essential Plan. New York requires community rating. Age and tobacco status are not factored into the premium rates.

NY State of Health issues a Plan Invitation each year outlining the conditions of participation to offer on the exchange. Eleven issuers offer coverage for both QHPs and the Essential Plan.

1.2 – Proposed Waiver

The State is submitting a Section 1332 Waiver Application to the U.S. Department of Health & Human Services (HHS) and U.S. Department of Treasury (Treasury) seeking to expand eligibility of the Essential Plan to the following new group:

1. Residents with incomes above 200 up to 250% of FPL, ages 19 to 64 years, who are currently eligible to purchase Qualified Health Plans (QHPs) on the Exchange and receive PTCs.

Under the waiver, DOH is seeking to suspend the Essential Plan as a BHP under Section 1331 and implement an identical Essential Plan (referred to as the "with-waiver Essential Plan") under Section 1332 beginning PY 2024. This with-waiver Essential Plan will be in its own risk pool. A new Essential Plan type will be created with expanded eligibility for consumers 200 – 250% FPL.

[2] https://www.federalregister.gov/documents/2022/05/25/2022-11047/basic-health-program-federal-funding-methodology-for-program-year-2023-and-proposed-changes-to-basic

To carry out its waiver plan, New York will apply to have the with-waiver Essential Plan designated as Minimum Essential Coverage (MEC). The State proposes to waive section 36B of the Internal Revenue Code, as permitted under section 1332(a)(2). Specifically, New York would waive section 36B(c)(2)(B) to the extent it would otherwise provide that a month is a "coverage month" (and therefore PTC or APTC may be permitted for that month) if an individual is under age 65 and has in effect a determination by the Exchange that their estimated household income is at or below 250% of the federal poverty level (FPL). In effect, an individual is not eligible for PTC or APTC for the months in which the NY State of Health determines them eligible for the with-Waiver Essential Plan.

The proposed waiver plan requires that most individuals with incomes up to 250% of FPL—generally those who are eligible for the with-waiver Essential Plan—be ineligible for APTC and PTC. However, PTC would still be available for:

1. Individuals who receive APTC after being projected to have income above 250% but then end up with income below 250% for the year would be eligible for PTC to avoid owing back the APTC they have received.
2. Individuals who purchase a QHP without applying for financial assistance and then end up with income below 250% for the year.
3. Individuals with EP-eligible income who are aged 65 and over and are not eligible for Medicare. Under normal BHP rules, individuals aged 65 and over and not eligible for Medicare are excluded from the BHP and thus may be eligible for PTC even in states with a BHP in place. New York is seeking to maintain that structure of eligibility under the waiver, so individuals over 65 will need to continue to be eligible for PTC.

Table 1.2.1: New York Proposed With-Waiver Essential Plan Rate Cohorts

Rate Cohorts	Population	Income	Ages	Premium	Deductible	Cost Sharing	Max Out-Of-Pocket
EP 200-250%	Non-Medicaid	200 – 250% FPL	19-64	$15/mo	$0	Yes	$2,000
EP 1	Non-Medicaid	150 – 200% FPL	19-64	$0	$0	Yes	$2,000
EP 2	Non-Medicaid	138 – 150% FPL	19-64	$0	$0	RX only	$200
EP 3	Aliessa	100 – 138% FPL	19-64	$0	$0	RX only	$200
EP 4	Aliessa	< 100% FPL	19-64	$0	$0	No	$0

In order for HHS and Treasury to approve New York's 1332 Waiver, the State must demonstrate that the waiver satisfies the four "guardrails" pursuant to 45 CFR 155.1308(f)(4)(i)-(iii) as listed below.

- **Comprehensiveness** – The proposal will provide coverage that is at least as comprehensive as coverage defined in ACA section 1302(b) and offered through Exchanges.

- **Affordability** – The proposal will provide coverage and cost-sharing protections against excessive out-of-pocket spending that are at least as affordable as the provisions of Title I of ACA.
- **Coverage** – The proposal will provide coverage to at least a comparable number of residents as the provisions of Title I of the ACA would provide.
- **Deficit Neutrality** – The proposal will not increase the federal deficit.

This actuarial and economic analysis estimates the waiver meets the four guardrails in each of the ten years of the waiver for our best estimates.

1.3 – Federal Savings and Requested Passthrough

The federal government is expected to generate significant PTC savings from the suspension of New York's BHP and the migration of consumers 200 – 250% of FPL to the with-waiver Essential Plan. Under the Waiver, the federal government is projected to experience a net reduction in deficits in each year. Therefore, the State is requesting the full PTC savings minus lost revenue from employer mandate collections, passed through to the State to support the 1332 Waiver. This analysis reflects PTC savings from the reduction in PTC spending for consumers with incomes between 0 – 250% of FPL, including current QHP migration from the individual market, and current BHP consumers migrating to the with-waiver Essential Plan. The reduction in PTC spending due to QHP consumers between 200 – 250% of FPL migrating from the individual market to the with-waiver Essential Plan is offset by increased PTC spending for the remaining individual market consumers, due to a 2.2% projected increase to individual market premiums. Section 5.4 includes details related to calculation of the projected premium increase.

The federal government is expected to experience some loss in revenue from employer mandate penalty collections due to the migration of consumers 200 – 250% of FPL to the Essential Plan. The impact of the lost revenue was included in the analysis.

New York operates a state-based Exchange. This waiver will not impact user fees for the Federally-Facilitated Exchange, and therefore wasn't included in the analysis.

The expansion of the with-waiver Essential Plan to new populations could potentially result in slightly fewer individuals covered in employer sponsored insurance (ESI). This would slightly increase federal tax revenues, as employers increased taxable compensation to offset lower ESI spending. Any such impact would be very small in size and would affect neither the satisfaction of the guardrails, since the waiver is deficit neutral without this effect. As such, this impact was not included in the analysis.

Section 2: Actuarial and Economic Analysis Summary

2.1 Overview

DOH engaged Deloitte to perform an actuarial and economic analysis to analyze the potential effects of the proposed 1332 Waiver over 5- and 10- year timeframes. This document contains the results, data, assumptions, and methods used in the analyses in alignment with the Actuarial Standard of Practice (ASOP) requirements for ASOP No.23 – Data Quality, ASOP No. 41 – Actuarial Communication, and ASOP No. 56 – Modeling.

This document has been prepared for the sole use of the State of New York to demonstrate the estimated impact of the proposed 1332 Waiver and the four guardrails. It complies with the CMS "Checklist for Section 1332 State Relief and Empowerment Waivers Applications" (July 2019). Using the information in this report for other purposes may not be appropriate. Other sections of the 1332 Waiver Application contain the non-actuarial portions of the 1332 Waiver requirements.

Deloitte analyzed a total of four different scenarios. The following two scenarios are the primary focus of the actuarial and economic analysis. They assess the impact of the proposed expansion of the Essential Plan to consumers with incomes up to 250% of FPL who would otherwise be eligible for QHPs and APTCs, based on current law.

1. **Scenario A, Baseline Without Waiver (WoW)** assumes the Essential Plan continues as a BHP, Medicaid, Essential Plan, and Child Health Plus (CHP) redeterminations resume in 2023[3], and the expanded premium tax credits for QHPs under the Inflation Reduction Act (IRA) are not extended after PY 2025.
2. **Scenario A, With Waiver (WW)** assumes the Essential Plan operates under Section 1332 starting PY 2024 with expanded eligibility for consumers with incomes up to 250% of FPL who would otherwise be eligible for QHPs and APTCs, Medicaid, Essential Plan, and CHP redeterminations resume in 2023, and the expanded premium tax credits for QHPs under IRA are not extended after PY 2025.

Deloitte also analyzed the following two scenarios to assess the impact of the waiver if the enhanced subsidies under the IRA are extended beyond PY 2025. The Scenario B analysis may be found in Appendix B.

3. **Scenario B, Baseline Without Waiver (WoW)** assumes the Essential Plan continues as a BHP, Medicaid, Essential Plan, and CHP redeterminations resume in 2023, and the expanded premium tax credits for QHPs under the IRA are extended for all the years of the waiver. While the expanded tax credits are set to expire at the end of PY 2025 under current law, this may be a likely scenario given that they have been in place since PY 2021.
4. **Scenario B, With Waiver (WW)** assumes the Essential Plan operates under Section 1332 starting PY 2024 with expanded eligibility for consumers with incomes up to 250% of FPL who would otherwise be eligible for QHPs and APTCs, Medicaid, Essential Plan, and CHP redeterminations resume in 2023, and the expanded premium tax credits for QHPs under the IRA are extended for all the years of the waiver.

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[3] The analysis assumes that Medicaid, BHP, and CHP redeterminations which were paused under the Public Health Emergency (PHE) will begin in April for members with June 30, 2023 end dates. Extension of this start date for redeterminations to later in 2023 will have minimal impacts to the baseline and with-waiver enrollment projections for Scenarios A and B. The impact of the PHE unwind assumptions on the baseline estimates will be updated in the final waiver application as the approach is finalized.

The analysis estimates that the waiver meets each of the four guardrails for the 5 years of the Waiver and projected 10-year analysis for Scenarios A and B. The data, resources, and assumptions used for the actuarial and economic analysis can be found in Section 3. The methodology can be found in Section 4. The results of sensitivity testing performed on pertinent projection assumptions for Scenario A can be found in Section 5.

2.2 Waiver Impact Assessment and Guardrail Compliance

The table below shows the summary results for the Waiver's guardrail compliance.

Table 2.2.1: High-Level Guardrail Compliance of the 1332 Waiver (Scenario A)

Guardrail	Estimated Impact With Waiver Compared to Without Waiver
Comprehensiveness	The Waiver is projected to meet the comprehensiveness guardrail as consumers have access to more comprehensive coverage compared to the Baseline Without Waiver Scenario. • Consumers with incomes between 200 – 250% of FPL will experience an increase in comprehensiveness. • There are no expected impacts for other consumers in the individual market. • There are no expected impacts for other consumers in the Essential Plan.

Affordability	The Waiver is projected to meet the affordability guardrail as the overall affordability across the market is improved compared to the Baseline Without Waiver Scenario.
	• Affordability for current Essential Plan members is not expected to change.
	• Affordability for consumers with incomes between 200-250% is expected to improve significantly under the Waiver for an aggregate savings of $2.4 billion over the 5 years.
	    o The average annual affordability increase of $7,400 per year ($5,450 in premiums, $1,950 in out-of-pocket spend) is to roughly 20% of income for the 200-250% FPL population.
	• Affordability for subsidized On-exchange consumers is not expected to change under the Waiver.
	• Affordability for subsidy-ineligible On-exchange consumers and Off-exchange consumers is expected to decrease slightly as premiums are expected to increase by an additional 2.2% in 2024 under the Waiver.
	    o The average annual affordability reduction of $325 per year falls in the range of 0.1% to 0.5% of income for subsidy-ineligible On-exchange and Off-exchange consumers.

Coverage	The Waiver is projected to meet the coverage guardrail as more consumers are expected to enroll in coverage compared to the Baseline Without Waiver Scenario. • Overall enrollment for the Essential Plan and individual market is expected to increase by a combined 1.6% for PY 2024, 2.2% for PY 2025, 2.1% for PY 2026, 2.1% for PY 2027, and 2.1% for PY 2028.
Deficit Neutrality	The Waiver is projected to meet the deficit neutrality guardrail as the federal government is projected to have a net savings compared to the Baseline Without Waiver Scenario. • The net federal spend under the waiver is estimated to decrease by $9.4 billion in PY 2024 and $51.4 billion over the 5-year waiver period, before pass-through funding. • The net federal spend under the waiver is estimated to remain the same in PY 2024 and over the 5-year waiver period, after accounting for pass-through funding.

Comprehensiveness

Consumers with incomes between 200 – 250% of FPL who will be migrating from QHPs to the Essential Plan under the Waiver will experience an increase in comprehensiveness as the Essential Plan includes Dental and Vision benefits as well as the Essential Health Benefits required under the ACA. There are no expected impacts on comprehensiveness for individual market consumers with incomes over 250% of FPL or current Essential Plan members compared to the without the Waiver.

Affordability

Affordability for current consumers within the Essential Plan is not expected to change under the Waiver.

Affordability for consumers with incomes of 200-250% of FPL who are expected to migrate from the QHP market to the Essential Plan starting in PY 2024 will improve under the Waiver. While there is a $15/month premium in the Essential Plan for these members ($180/year), there is no deductible and the maximum out of pocket is limited to $2,000. The Actuarial Value of the Essential Plan is 91.5% compared to a weighted Actuarial Value of 72.2% for consumers with incomes of 200-250% of FPL in the market today, based on the distribution of plan selections for these consumers in 2022. Assuming the 200 – 250% FPL consumers maintain similar service utilization patterns, out-of-pocket spending for these consumers will be reduced between $1,750 and $2,150 per year under the waiver[4]. There are some consumers enrolled in bronze plans with premiums below $15 per month who will pay more in monthly premiums under the Essential Plan, however, these premium increases overall will be offset many times over by reduced out-of-pocket spend. The total number of consumers impacted for the 5 years of the waiver is on average 93,957 per year. The total savings for the 200 – 250% of FPL consumers over the life of the waiver is estimated to be $2.4 billion in premiums and out-of-pocket spend.

The migration of the current 200-250% of FPL consumers from the QHP market to the Essential Plan is expected to increase premiums by 2.2% in the remaining QHP market for PY 2024 compared to the baseline without waiver scenario. Due to the expanded tax credits under the IRA, consumer premium contributions are capped at the affordability threshold set by the IRS for all subsidized On-exchange consumers. Therefore, the increase in QHP premiums does not negatively impact affordability for APTC recipients for PY 2024 or PY 2025. Starting in PY 2026, consumers above 400% of FPL will not be eligible for premium tax credits and therefore will experience the impact of the 2.2% increase in premiums. This impacts an estimated 123,238 consumers per year above 400% FPL expected to buy On-exchange from 2026 through 2028 at an average annual increase of $317 per consumer. Consumers above 400% of FPL experience a small decrease in affordability for the last three years of the Waiver because of the expanded premium tax credits from the IRA ending after PY 2025. Subsidy-ineligible On-exchange

[4] The projected reduction in out-of-pocket spend for 200-250% FPL consumers is based on weighted average actuarial value calculations which provide a close approximation to the actual average spending by a wide range of consumers in a standard population. There may be some 200-250% FPL consumers who do not utilize any services during a year, and therefore would not feel the effect of plan design/actuarial value changes. Conversely, there will also be consumers who utilize a greater volume of services and/or require more expensive services who will see larger out-of-pocket spending reductions.

consumers and Off-exchange consumers will similarly experience a small decrease in affordability from the 2.2% increase to premiums. This impacts an estimated 47,434 consumers per year from 2024 through 2028 at an average annual increase of $223 per consumer. Since New York does not use age-rating in the individual market, and prescribes premium differences by metal level, the impact of the 2.2% premium increase will be relatively consistent from consumer to consumer.

While more consumers are expected to see reductions in affordability compared to increased affordability, the total dollar value of the affordability increases greatly exceeds the total value of affordability reductions in each year of the waiver. Vulnerable populations would disproportionately see improved affordability given their lower income.

Those who experience a reduction in affordability see only a very small reduction (generally 2.2% increase in premiums), while those seeing improved affordability see much larger increases. 65,109 consumers per year from 2024 to 2028 see affordability increases on average of $7,400 per year ($5,450 in premiums, $1,950 in out-of-pocket spend), resulting in $2.4 billion of improved affordability. The affordability increase of $7,400 per year is roughly 20% of income for the 200-250% FPL population. 100,054 consumers per year from 2024 to 2028 see affordability reductions on average of $325 per year, resulting in $163 million of affordability reductions. The affordability reduction of $325 per year falls in the range of 0.1% to 0.5% of income for subsidy-ineligible On-exchange and Off-exchange consumers.

The Waiver still meets the affordability guardrail as the overall affordability across the market is improved, with consumers with lower incomes between 200 – 250% of FPL experiencing a substantial improvement in affordability across all five years of the Waiver.

Coverage

With the expansion of the Essential Plan to lower income residents, more consumers are expected to be covered under the Waiver compared to the baseline who would otherwise be uninsured. A total of 23,107 new consumers are expected to enter the market for PY 2024 and 30,670 for PY 2028 compared to the baseline without waiver scenario. A total of 3,020 consumers are expected to leave the market for PY 2024 due to premium increases, and 3,180 for PY 2028 compared to the baseline without waiver scenario. Overall enrollment for the Essential Plan and individual market combined is expected to increase by 1.6% for PY 2024, 2.2% for PY 2025, 2.1% for PY 2026, 2.1% for PY 2027, and 2.1% for PY 2028 compared to without the Waiver.

Deficit Neutrality

The waiver is expected to generate substantial savings for the federal government across two areas:

1. Savings from the PTC spend with the suspension of the BHP
2. Savings from the PTC spend for consumers with incomes 200 – 250% of FPL

The waiver is expected to generate a loss in revenue for the federal government in one area:

1. Loss of payments collected under the employer shared responsibility provision with the migration of consumers 200 – 250% of FPL to the Essential Plan.

PTC Savings from BHP Suspension

With the suspension of the BHP under Section 1331 of the ACA, the federal government is expected to save $9.2 billion for PY 2024, $50.4 billion for the 5-years of the Waiver, and $118.9 billion for the projected 10-year analysis on PTC spend for the BHP.

PTC Savings for Migration of Consumers with Incomes 200 – 250% of FPL

With the migration of consumers between 200 – 250% of FPL out of the QHP market and to the Essential Plan, the federal government is expected to save $186 million for PY 2024, $977 million for the 5-years of the Waiver, and $2.4 billion for the projected 10-year analysis on PTC spend. This reflects the saving due to consumers in the 200 – 250% of FPL range not receiving PTC, offset by a small increase in PTC cost due to the 2.2% premium increase in the remaining market, as discussed above.

Loss in Employer Shared Responsibility Fees

Under Section 4980H(b) of the Internal Revenue Code (IRC), applicable large employers (generally employers with at least 50 full-time or full-time-equivalent employees) that do not offer full-time employees and their dependents the opportunity to enroll in affordable, minimum essential coverage under an eligible employer-sponsored plan may owe an assessable payment, referred to an Employer Shared Responsibility Payment (ESRP) for each full-time employee who receives the PTC. By generally shifting individuals with incomes between 200% and 250% of FPL into the Essential Plan, the Waiver is expected to reduce the number of individuals who would receive PTC and thus trigger the ESRP.[5]

The Office of Management and Budget (OMB) projects $432 million in ESRP collection for fiscal year 2024 nationwide. The projection for fiscal year for 2024 was then used as a proxy for the calendar year 2023. This projection is based on current law that the enhanced subsidies under the Inflation Reduction Act end after PY 2025. When considering the impact of the Section 1332 Waiver, Urban Institute estimates 0.6% of workers employed by large firms who are not offered affordable coverage and purchase QHPs with PTCs are New Yorkers with incomes between 200% and 250% FPL. The estimate of 0.6% was then applied to the projected $432 million to calculate a reduction of $2.6 million in ESRP revenue in PY 2024, and $15.6 million over the 5-years of the waiver and $44.6 million over the projected 10-years.

[5] OMB has ESRP collection projections for 2024 – 2027. 2028 and future years were assumed to have a 15% increase compared to 2027 (for conservatism), with the same 0.6% application for each year to calculate projected reductions in ESRP revenue.

Net Federal Savings

The projected net federal spend under the waiver is provided in the table below.

Table 2.2.2: Federal Savings Under the Waiver (Scenario A) ($ in Millions)

	FY 2024	5-Years	10 Years
PTC Savings (BHP Suspension)	$9,170	$50,429	$118,914
PTC Savings (QHPs)*	$186	$977	$2,425
Loss in Employer Shared Responsibility Fees	($3)	($16)	($45)
Total Federal Savings	**$9,354**	**$51,391**	**$121,295**
Requested Passthrough	($9,354)	($51,391)	($121,295)
Federal Savings After Passthrough	**$0**	**$0**	**$0**

*** Reflects PTC savings due to consumers in the 200 – 250% of FPL range not receiving PTC, offset by an increase in PTC spend due to premium increases in the remaining market**

The following tables show the baseline without waiver and with waiver estimates for Scenario A.

Table 2.2.3: WoW Summary of Enrollment, Premium, and Cost Estimates (Scenario A)

Baseline - Scenario A	2024	2025	2026	2027	2028	5-Year Total	10-Year Total
Unsubsidized On/Off-Exchange							
Enrollment[1]	66,122	64,435	124,043	123,236	122,435	100,054	110,061
Average Premium PMPM	$708	$740	$784	$821	$860	$796	$902
Subsidized On-Exchange							
Enrollment[1]	236,570	237,659	149,369	150,356	151,349	185,061	169,717
Average Premium PMPM	$712	$746	$782	$820	$859	$774	$873
Average APTC PMPM	$265	$291	$265	$292	$321	$285	$347
Total Individual Market							
Enrollment[1]	302,692	302,094	273,412	273,592	273,784	285,115	279,779
Average Premium PMPM	$711	$745	$783	$820	$860	$782	$884
Aggregate Premiums (millions)	$2,584	$2,701	$2,568	$2,693	$2,824	$13,370	$29,690
Projected Federal Spend (millions)	$703	$774	$443	$492	$544	$2,956	$6,587
Essential Plan							
Enrollment[1]	970,000	994,000	1,020,000	1,040,000	1,060,392	1,016,879	1,070,652
Average Premium PMPM	$560	$583	$606	$630	$655	$608	$677
Aggregate Premiums (millions)	$6,520	$6,949	$7,415	$7,863	$8,338	$37,085	$86,959
Quality Incentive Pool Costs (millions)	$200	$200	$200	$200	$200	$1,000	$2,000
Total Program Costs (millions)	$6,720	$7,149	$7,615	$8,063	$8,538	$38,085	$88,959
Projected Federal Spend (millions)	$9,170	$9,850	$9,782	$10,454	$11,172	$50,429	$118,914
Employer Shared Responsibility Revenue							
Projected Federal Revenue (millions)	($3)	($3)	($3)	($3)	($4)	($16)	($45)
Combined Totals							
Enrollment[1]	1,272,692	1,296,094	1,293,412	1,313,592	1,334,176	1,301,993	1,350,431
Projected Federal Spend (millions)	$9,871	$10,620	$10,222	$10,943	$11,713	$53,369	$125,457

[1]5 and 10 year totals are straight averages

Table 2.2.4: WW Summary of Enrollment, Premium, and Cost Estimates (Scenario A)

With Waiver - Scenario A	2024	2025	2026	2027	2028	5-Year Total	10-Year Total
Unsubsidized On/Off-Exchange							
Enrollment[1]	63,102	61,122	120,753	120,002	119,255	96,847	106,947
Average Premium PMPM	$737	$770	$808	$847	$888	$823	$932
Subsidized On-Exchange							
Enrollment[1]	168,922	170,243	87,405	87,979	88,556	120,621	105,469
Average Premium PMPM	$728	$763	$799	$838	$878	$786	$883
Average APTC PMPM	$273	$299	$273	$301	$330	$293	$352
Total Individual Market							
Enrollment[1]	232,024	231,365	208,157	207,980	207,812	217,468	212,416
Average Premium PMPM	$730	$765	$805	$843	$883	$803	$908
Aggregate Premiums (millions)	$2,033	$2,123	$2,010	$2,104	$2,203	$10,472	$23,144
Projected Federal Spend (millions)	$517	$570	$267	$296	$328	$1,978	$4,162
Essential Plan							
Enrollment[1]	1,060,756	1,093,583	1,112,834	1,133,148	1,153,855	1,110,835	1,164,837
Average Premium PMPM	$567	$590	$613	$638	$663	$615	$684
Aggregate Premiums (millions)	$7,220	$7,747	$8,189	$8,671	$9,180	$41,006	$95,676
Quality Incentive Pool Costs (millions)	$200	$200	$200	$200	$200	$1,000	$2,000
200-250% Member Premiums (millions)	($16)	($18)	($17)	($17)	($17)	($85)	($170)
Total Program Costs (millions)	$7,403	$7,747	$8,189	$8,671	$9,180	$41,190	$95,860
Projected Federal Spend (millions)	$0	$0	$0	$0	$0	$0	$0
Employer Shared Responsibility Revenue							
Projected Federal Revenue (millions)	$0	$0	$0	$0	$0	$0	$0
Combined Totals							
Enrollment[1]	1,292,779	1,324,947	1,320,992	1,341,128	1,361,667	1,328,303	1,377,254
Projected Federal Spend (millions)	$517	$570	$267	$296	$328	$1,978	$4,162

[1]5 and 10 year totals are straight averages

Section 3: Data Sources, Assumptions, and Reliance

This section describes the data relied upon to develop baseline Without Waiver and With Waiver to estimate the effect of the waiver on coverage, comprehensiveness, affordability, and deficit neutrality requirements.

3.1 State Data Requested and Received

To conduct this analysis, the following data was requested and collected from the New York Department of Financial Services (DFS), DOH, and the Deloitte actuarial team that supports the rate setting for the Essential Plan:

- Essential Plan enrollment for 2019 – 2022
- Essential Plan projected enrollment for 2023
- Essential Plan capitation rates and claims trends for 2019 – 2023
- On-exchange detailed enrollment for 2019 – 2022, including premiums, APTCs, FPL, county, metal level, age bands, and gender
- Off-exchange individual market summarized enrollment for 2019 – 2022
- On- and off-exchange projected enrollment for 2023
- On- and off-exchange premiums for 2023
- PY 2023 rate filings for individual market issuers, including actuarial memos, rate tables, and Unified Rate Review Tables (URRTs)
- CMS letter from the Office of the Actuary to the State of New York, dated September 2, 2022, subject "Federal Basic Health Program Payment to New York for October - December (Q4) 2022 and Payment Revision for July – September (Q3) 2022"
- Medical Loss Ratio reports by metal level from 2022
- New York Emergency Medicaid Spend Data 2019 - 2022

3.2 Other Data Sources

Additional data sources used in this analysis include:

- Premium growth assumptions for the individual market from the Office of the Actuary (OACT) in the Centers for Medicare & Medicaid Services (CMS) short-term (10-year) projections of health care spending for categories in the National Health Expenditure Accounts (NHEA) produced in March of 2022.[6]
- Basic Health Program; Federal Funding Methodology for Program Year 2023 and Proposed Changes to Basic Health Program Regulations[7]
- Method for Calculation of Section 1332 Reinsurance Waiver 2022 Premium Tax Credit Pass-through Amounts Office of Tax Analysis, Department of Treasury, March 2022[8]

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[6] https://www.cms.gov/files/document/nhe-projections-forecast-summary.pdf
[7] https://www.federalregister.gov/documents/2022/05/25/2022-11047/basic-health-program-federal-funding-methodology-for-program-year-2023-and-proposed-changes-to-basic
[8] https://www.cms.gov/files/document/1332-ota-methodology-reinsurance-pass-through-amounts-march-2022.pdf

- Health Care Costs – From Birth to Death; sponsored by the Society of Actuaries; Yamamoto, Dale; June 2013[9]
- Economic data/indicators from the U.S. Bureau of Labor Statistics (BLS)
- Employer Shared Responsibility Payment from The Office of Management and Budget (OMB) [10]
- 2019 NY Individual Income and Tax Data[11]
- Nongroup price cross-elasticity from the Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT)[12]
- CMS Final 2023 Actuarial Value Calculator Methodology[13]

3.3 Enrollment Projection Data Source

The analysis relied upon enrollment projections from the Urban Institute Health Policy Simulation Model (HIPSM) for the State of New York to project the baseline without waiver and with waiver enrollments. HIPSM is a microsimulation model of the health care system designed to estimate the cost and coverage effects of proposed health care policy options. The model uses data from the U.S. Census Bureau's American Community Survey (ACS) to create a distribution of the population by demographic, economic, and health coverage characteristics, which is then calibrated using available Medicaid, Essential Plan, Marketplace administrative data, and Medical Expenditure Panel Survey (MEPS) data. Information on the model and methodology may be found online at Urban.org. [14]

The model is iterative and considers how changes in one market will affect other markets. The model considers many scenarios that would impact the market, including:

- The effects of the PHE unwinding [15] and the impact redeterminations will have on the Essential Plan and marketplace enrollment[16].
- The effects of the expanded premium tax credits under the Inflation Reduction Act on marketplace coverage[17] and the potential impact of ending or extending the expanded tax credits beyond PY 2025.
- Administrative changes due to the Family Glitch for ACA eligibility.[18]

Deloitte received projections for Non-Group (Off-exchange and On-exchange subsidy-ineligible) enrollment, On-exchange subsidized enrollment, and Essential Plan enrollment from Urban Institute to build the baseline without waiver development. Deloitte also used Urban Institute enrollment projections for consumers with incomes between 200 and 250% of FPL for the with waiver development. For sections of the analysis that required enrollment breakouts for Off-

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[9] https://www.soa.org/resources/research-reports/2013/research-health-care-birth-death/
[10] https://www.whitehouse.gov/omb/budget/supplemental-materials/
[11] https://www.irs.gov/statistics/soi-tax-stats-historic-table-2-2015-2019
[12] https://www.cbo.gov/system/files/2019-01/54915-New_Rules_for_AHPs_STPs.pdf
[13] https://www.cms.gov/sites/default/files/2022-04/Final-2023-AV-Calculator-Methodology.pdf
[14] https://www.urban.org/research/publication/health-insurance-policy-simulation-model-2020
[15] https://www.urban.org/research/publication/estimating-health-coverage-2023
[16] The model analysis assumes that Medicaid, BHP, and CHP redeterminations which were paused under the Public Health Emergency (PHE) will begin in April for with June 30, 2023 end dates. Extension of this start date for redeterminations to later in 2023 will have minimal impacts to the baseline and with-waiver enrollment projections for Scenarios A and B.
[17] https://www.urban.org/research/publication/what-if-american-rescue-plan-act-premium-tax-credits-expire
[18] https://www.urban.org/research/publication/changing-family-glitch-would-make-health-coverage-more-affordable-many-families

exchange vs. On-exchange subsidy-ineligible enrollment, it was assumed that 75% of Non-Group consumers are Off-exchange for 2024 and 2025, and 40% Non-Group consumers are Off-exchange for 2026 through 2033 for Scenario A. It was assumed 75% of Non-Group are Off-exchange for 2024 through 2033 under Scenario B.

3.4 Premium Growth Data Sources

For the individual market, the analysis applied a premium growth rate trend factor of 6.2% from 2023 to 2024, and 4.8% for 2025 – 2033 and beyond based on National Health Expenditure Projections from the Centers of Medicare & Medicaid Services (CMS) Office of the Actuary (OACT) to baseline without waiver premiums.

For the Essential Plan, the analysis applied a premium growth rate trend factor of 4.0% for the for PY 2023 – 2033. Historically, the trend assumptions for the Essential Plan have been approximately 3% based on claims experience. The Deloitte team confirmed with DOH and the actuarial team that supports the Essential Plan rate setting that a 4.0% per member per month (PMPM) trend factor is a reasonable assumption for the baseline without waiver scenario.

Essential Plan capitation rates are set by DOH in a manner that largely aligns with the approach for Medicaid Managed Care. Essential Plan rates consider the adequacy of rates of payment in relation to the population to be served adjusted for case mix, the scope of health care services approved organizations must provide, the utilization of such services and the network of providers required to meet state standards. If expected health care utilization/costs exceed capitation rates paid to plans, mid-year rate adjustments are made. For example, when COVID-19 case rates and testing increased in early 2022 due to the Omicron variant, the actuarial team developed, and the EP trustees approved a rate adjustment.

3.5 Reliance

The data received from DFS, DOH, and Urban Institute were reviewed for reasonableness and consistency during the work; however, it was not audited by the team conducting the actuarial and economic analysis after being received. Enrollment data for NYSOH is audited and validated with CMS and issuers. Urban Institute likewise has validation mechanisms for its economic microsimulation model.

All data was reviewed for appropriateness, sufficiency, and a reasonable effort was made to identify data values that were questionable or relationships that were significantly inconsistent. The actuarial guidelines related to reliance on models developed by others as outlined in Actuarial Standard of Practice No. 56 were followed. It was assumed that all data and information provided was accurate and complete. If the underlying data or information provided was inaccurate or incomplete, the results of analysis may likewise be inaccurate or incomplete.

The scope of the actuarial certification and the intended use of the analysis being performed to determine the nature of the data needed was considered. Additionally, the actuarial guidelines on utilizing imperfect data and considering the quality of data in the actuarial analysis as outlined in Actuarial Standard of Practice No. 23 were followed. Deloitte relied on the State of New York enrollment and premium data highlighted. Based on our reasonableness checks, we believe it is credible and is a reasonable data source to assess the impact of the Waiver on the State of New York's individual market population.

Section 4: Methodology

4.1 Baseline Without Waiver Development

For the Essential Plan, we started with the approved PY 2023 capitation rates and trended them forward. Projected enrollment growth for the Essential Plan beginning in 2024 was provided by Urban Institute.

For the individual market, we started with 2022 enrollment distributions for consumers by On- and Off-exchange status, metal level, income level, and percentage receiving PTCs (by metal level). After reviewing the dataset for reasonability and completeness, it was determined 1.6% of the enrollment records had incomplete data fields (for example, records indicating consumers received PTC's without FPL information) and were removed from the dataset. Consistent with the standards established under ASOP No. 23 – Data Quality, it is the actuary's professional judgement that the removal of these inconsistent data records is reasonable and does not create a significant bias in the dataset and subsequent analyses. For the On-exchange market, we distributed the projected enrollment growth for PY 2023 from issuer filings. For the Off-exchange market, we distributed the projected enrollment for PY 2023 from issuer filings, with slight modifications to the total number of Off-exchange consumers based on conversations with DFS [19]. It was assumed that all consumers buying Off-exchange have incomes above 400% FPL. Next, we used the approved QHP premiums for PY 2023 to finalize expected premium and enrollment for PY 2023 for On- and Off-exchange.

Projected enrollment growth in the individual market starting in 2024 was provided by Urban Institute. The analysis assumed the distribution of consumers by metal level and the percentage receiving PTCs for 2024 – 2033 mirrors the distribution for 2022 and 2023, but it accounts for projected a loss of consumers from the On-exchange market due to the reduction in premium tax credits beginning 2026. New consumers with incomes of 200 – 250% of FPL joining the market starting in PY 2024 were assumed to be at the same health status as PY 2022 and 2023 consumers with incomes of 200 – 250% of FPL. Therefore, no adjustments were made to QHP premiums based on these new consumers joining the market.

For Scenario A, it was assumed that Off-exchange enrollment for 2026 would generally be consistent with 2025 enrollment. Changes in enrollment due to the sunsetting of the expanded

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[19] After reviewing 2023 URRTs carriers included in the rate filing process, it was determined the information in the URRTs contained accurate premium information on a plan and metal level basis, but projected 2023 enrollment for On- and Off-Exchange status was likely misrepresented in the URRTs. Current 2022 enrollment provided by the Exchange indicates roughly 19% of consumers are enrolled in Off-Exchange plans, while 2023 URRTs projected roughly 3% of consumers would be enrolled in Off-Exchange plans, a migration of roughly 40,000 consumers. DFS communicated that data carriers supplied in Exhibit 18 of rate filings projected Off-Exchange enrollment in 2023 to remain relatively steady compared to 2022, prompting Deloitte to conduct a detailed investigation of the information supplied in the 2023 URRTs. After further review, it was determined there were likely inconsistencies in the On/Off-Exchange indicator carriers inputted into Field # 1.9 'Exchange Plan?' from the 'Wksh 2 – Plan Product Info' tab. Based on the outcomes of the detailed investigation combined with conversations with DFS, it was determined that using the total projected enrollment figures from carrier URRTs would be accurate, but applying 2022 distributions for On/Off-Exchange by Metal Level would be a more accurate representation of expected 2023 enrollment.

premium tax credits under the Inflation Reduction Act in 2025 were reflected in reductions to On-exchange enrollment. No adjustments were made to premiums or metal level distributions from the reductions in On-exchange enrollment in 2026 - 2033. Although the risk profile of enrollees may potentially change when the subsidies expire, it would be difficult to determine the extent of the risk profile change, and any associated changes in morbidity carriers build into premiums.

4.2 Baseline Federal Spend for the Essential Plan

Baseline federal spend for the Essential Plan was calculated using the BHP payment methodology and relevant trend factors. Section 1331(d)(3) defines the amount of the Federal payment for the BHP to be equal to 95 percent of the premium tax credits (PTCs) (under section 36B of the Internal Revenue Code) and cost-sharing reductions (CSRs) (under section 1402 of the ACA) that would have been provided for the fiscal year to eligible individuals enrolled in standard health plans in the State if such eligible individuals had been allowed to enroll in qualified health plans through an Exchange. The payment is determined on a per enrollee basis and takes into account all relevant factors necessary to determine the value of the PTCs and CSRs that would have been provided to eligible individuals, including (i) whether the enrollment is for self-only for family coverage, (ii) geographic differences in average spending for health care across rating areas, (iii) an optional health status of the enrollee for purposes of determining risk adjustment payments and reinsurance payment that would have been made if the enrollee had enrolled in a qualified health plan through an Exchange (note, New York has never taken advantage of this factor for the calculations), and (iv) whether any reconciliation of the credit or cost-sharing reductions would have occurred if the enrollee had been so enrolled. The following factors are used to in the calculation of federal BHP payments:

- Reference premiums
- Premium trend factor
- Federal poverty level
- Premium tax credit formula percentages
- Income reconciliation factor
- Premium adjustment factor

Projected federal spend for the Essential Plan beginning 2023 is based on the actual average federal spend per eligible member from Quarter 4 of PY 2022, trended forward. Since federal spend for the Essential Plan is tied to the premium growth in the QHP market and associated increases in premium tax credits, the QHP premium growth trend factors were used to project federal spend for the Essential Plan for PY 2024 – 2033. Federal spend was calculated specific to income distribution using the current BHP methodology for consumers with incomes up to 200% of FPL and then trended forward for PY 2024 using the 6.2% premium growth rate trend and for PY 2025 – 2033 using the 4.8% premium growth rate trend projected by OACT was applied.

4.3 Baseline Federal Spend for QHPs

Federal spend for the QHP market is based on expected PTC spend per member per month (PMPM). The PY 2022 APTC PMPMs were summarized from the actual PY 2022 APTC data received from the Exchange by metal level. The net member premium in PY 2022 was calculated as the difference between gross member premium and APTC.

The change in net member premium from PY 2022 to 2023 was estimated by indexing at an annual wage inflation rate of 6.0%, developed from New York-specific data from the Bureau of Labor Statistics (BLS), reflecting economic inflation pressure. The change in net member premium from PY 2023 to 2024 was estimated by indexing at an annual wage inflation rate of 4.0%. The change in net member premium in PYs 2024 – 2033 was estimated by indexing at an annual wage inflation rate of 2.0%, developed from New York-specific data from the Bureau of Labor Statistics (BLS). For Scenario A, the average projected APTC spend by income threshold for PY 2026 was recalculated based on what the affordability thresholds were for PY 2021, prior to the American Rescue Plan Act. This was then trended by 4.8% per year for PY 2027 – 2033 for all consumers with incomes above 200 up to 400% of FPL. For Scenario B, the 4.8% QHP premium growth factor was also applied to the projected APTC spend for PY 2024 – 2033. For the purposes of converting APTC data to PTC spend, a reconciliation factor of 0.933 was used. The reconciliation factor of 0.933 is reflective of the ratio of the sum of total APTC and net PTC less Excess APTC compared to the total APTC. All figures are for 2019, the most recent year for which they are available[20].

4.4 With Waiver Development

Under the waiver, DOH is seeking to suspend the Essential Plan as a BHP under Section 1331 and implement an identical Essential Plan (referred to as the “with-waiver Essential Plan”) under Section 1332 beginning PY 2024. Current Essential Plan enrollees are assumed to shift to the with-waiver Essential Plan. This eliminates the current BHP payment and uses resulting pass-through to pay for the same coverage on the with-waiver Essential Plan.

From the baseline scenario, the projected enrollment for On-exchange consumers with incomes above 200 up to 250% FPL aged 64 or younger were migrated to the Essential Plan beginning in PY 2024. Consumers aged 65 or older were projected to remain in the market based on current State policy which New York is requesting to maintain under the Waiver. Federal spend for consumers 200 – 250% FPL was subtracted from the total federal spend for the individual market. To account for the migration of 200 – 250% FPL consumers out of the QHP market, a 2.2% premium adjustment was added to the 4.8% QHP premium trend for PY 2024 to take a conservative approach for assessing the impact on the market. This factor is based on an analysis of metal-level enrollment and loss-ratios based on sensitivity testing. *See Section 5.4 for more details.* A price elasticity adjustment was applied to non-group enrollment[21]. Federal PTC spend for consumers over 250% of FPL was also increased by 2.2% per consumer.

Essential Plan premiums were adjusted for this new 200 – 250% of FPL population based on the actual demographic differences observed for PY 2022 between the new population and Essential

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[20] https://www.irs.gov/statistics/soi-tax-stats-historic-table-2-2015-2019

[21] Enrollment projections provided by Urban Institute assume a negligible (+/- 1.0%) increase to premiums in the QHP market, instead of the moderate 2.2% increase accounted for in the with-waiver development. Accordingly, an additional price elasticity adjustment was made to projected enrollment for Off-exchange, and On-exchange subsidy ineligible consumers. Enrollment was adjusted to decrease by 2.6% for each year of the waiver, to account for the number of consumers who would choose different health coverage in response to premium changes. A mildly elastic cross-price elasticity factor of -1.18 was applied based on estimates developed by the Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT) in January 2019: https://www.cbo.gov/system/files/2019-01/54915-New_Rules_for_AHPs_STPs.pdf

Plan enrollees with FPLs between 150% and 200% which was assumed to continue under the Waiver to take a conservative approach to model the impact of this migration on the current Essential Plan. *See Section 5.4 for more details.*

Section 5: Sensitivity Testing

5.1 Essential Plan Enrollment Growth

For purposes of the 5- and 10-year projections, it was assumed 100% of consumers with incomes above 200 up to 250% of FPL buying health insurance on the individual marketplace for PY 2023 would move to the Essential Plan starting in 2024 and there would be additional enrollment from those who are otherwise uninsured in the Baseline Without Waiver. If a greater number of this population enrolls than projected, it will increase the overall cost of the program. This will not impact the federal deficit as the State bears the financial risk for the program.

The following table is the summary results from the sensitivity analysis for Scenario A. The top row is modeled in Scenario A With Waiver 5- and 10- year projections. The subsequent sensitivity analyses demonstrate the projected impact to the Essential Plan premiums if enrollment growth differs from the With Waiver scenario.

Table 5.1.1: Essential Plan Enrollment Sensitive Analysis and WW 5 Year Premium Estimates for Scenario A

Sensitivity Analysis for EP Population Growth						
Waiver Modeled Scenario	2024	2025	2026	2027	2028	5-Year Total
Essential Plan With Waiver (With Waiver Enrollment)						
Enrollment[1]	1,060,756	1,093,583	1,112,834	1,133,148	1,153,855	1,110,835
Average Premium PMPM	$567	$590	$613	$638	$663	$615
Aggregate Premiums (millions)	$7,220	$7,747	$8,189	$8,671	$9,180	$41,006

Increased EP Enrollment						
+10% EP Enrollment Increase	2024	2025	2026	2027	2028	5-Year Total
Essential Plan With Waiver (+10%)						
Enrollment[1]	1,166,831	1,202,941	1,224,118	1,246,463	1,269,240	1,221,919
Average Premium PMPM	$567	$590	$613	$638	$663	$615
Aggregate Premiums (millions)	$7,942	$8,521	$9,008	$9,538	$10,098	$45,107
Difference (+10%)						
Enrollment[1]	106,076	109,358	111,283	113,315	115,385	111,084
Average Premium PMPM	$0	$0	$0	$0	$0	$0
Aggregate Premiums (millions)	$722	$775	$819	$867	$918	$4,101

5.2 Essential Plan Premium Growth

For purposes of the 5- and 10-year projections, it was assumed that the Essential Plan premium growth under the Baseline Without Waiver scenario grows at an average annual trend of 4.0% for PY 2023 onwards. If the Essential Plan capitation payments grow at a higher growth rate, it will not have an impact on the federal deficit as the State bears the financial risk as the State bears the financial risk for increased capitation rates.

To test the sensitivity of the premium growth assumption on potential future costs to the State, we adjusted the Essential Plan premium growth trend by 1.5% in both directions.

The following table is the summary results from the sensitivity analysis for Scenario A. The top row is modeled in Scenario A With Waiver 5- and 10- year projections. The subsequent sensitivity analyses demonstrate the projected impact to the Essential Plan premiums if the premium growth differs from the With Waiver scenario.

Table 5.2.1: Essential Plan Premium Growth Sensitivity Analysis and WW 5 Year Premium Estimates for Scenario A

Sensitivity Analysis for EP Premium Growth						
Waiver Modeled Scenario	2024	2025	2026	2027	2028	5-Year Total
Essential Plan With Waiver (4.0% Trend)						
Average Premium PMPM	$567	$590	$613	$638	$663	$616
Aggregate Premiums (millions)	$7,220	$7,747	$8,189	$8,671	$9,180	$41,006
Increased Essential Plan Premium Trend						
Trend +1.5%	2024	2025	2026	2027	2028	5-Year Total
Essential Plan With Waiver (5.5% Trend)						
Average Premium PMPM	$575	$607	$640	$675	$712	$643
Aggregate Premiums (millions)	$7,324	$7,972	$8,549	$9,182	$9,862	$42,888
Difference (+1.5% Trend)						
Average Premium PMPM	$8	$17	$27	$38	$49	$29
Aggregate Premiums (millions)	$104	$225	$359	$511	$681	$1,881
Decreased Essential Plan Premium Trend						
Trend -1.5%	2024	2025	2026	2027	2028	5-Year Total
Essential Plan With Waiver (2.5% Trend)						
Average Premium PMPM	$559	$573	$587	$602	$617	$588
Aggregate Premiums (millions)	$7,116	$7,525	$7,840	$8,181	$8,537	$39,198
Difference (-1.5% Trend)						
Average Premium PMPM	($8)	($17)	($26)	($36)	($46)	($27)
Aggregate Premiums (millions)	($104)	($222)	($349)	($490)	($643)	($1,808)

5.3 Relative Health Status of Consumers 200 – 250% of FPL

For purposes of the 5- and 10-year projections for the baseline and with waiver analysis, it was estimated that the 200 – 250% of FPL cohort currently buying on the marketplace for PY 2023 is slightly healthier than the rest of the QHP market. The waiver analysis assumes the migration of the 200 – 250% of FPL consumers from the QHP market to the Essential Plan will cause the QHP premiums in the market to increase for PY 2024. A 2.2% premium impact was used to model the 5- and 10-year with waiver projections and is based on estimates using the medical loss ratio methodology and age/gender methodology described below.

QHP Market Impact Using Medical Loss Ratio Methodology

One unique aspect of the State's individual Exchange market is the State's market-wide risk adjustments in addition to carrier-wide and high-cost risk adjustments facilitated by the Federal government. In an effort to stabilize the State's market-wide risk adjustment program, carriers are instructed to include state-specific components during the rate-setting and rate-filing process. These components include induced demand by metal tier, and a standardization of the slopes (or relative cost difference) across metal levels, from platinum to catastrophic. The inclusion of these provisions effectively compresses the premium ranges between metal levels, and creates an environment where catastrophic, bronze, and silver plans have more favorable experience for claims in relation to premiums (as premiums for lower-level plans are artificially inflated). If members migrating out of the market were more likely to be enrolled in catastrophic, bronze, and silver plans, there could be an impact on future premiums as carriers attempt to maintain similar claims to premium ratios (also known as medical loss ratios) across all of their plans offered.

In 2022, consumers with FPLs between 200% and 250% were generally concentrated in silver plans which were slightly lower on the metal level slope in comparison to consumers with FPL's outside 200% to 250%. Consumers with FPLs between 200% and 250% were roughly half as likely to select platinum and gold level plans, and about 25% less likely to select bronze or catastrophic plans.

The Deloitte team received medical loss ratio (MLR) data for each of the QHP plans in the marketplace from DFS for PY 2022. MLR accounts for both the projected claims experience of members and premiums. The MLR for consumers between 200% and 250% is 79.2% compared to a MLR of 94.6% for the rest of the market. Based on the MLR analysis, the migration of this group out of the QHP market could increase premiums in the rest of the market by 0 – 4% for PY 2024 as issuers will no longer have significant enrollment in these more profitable plans and may account for risk adjustment dollars potentially exiting the QHP market by increasing premiums in other parts of the market.

To test the sensitivity of the assumed premium impact in the individual market from the migration of the 200% - 250% of FPL population on changes to federal deficit neutrality, we adjusted the assumed loss ratio of the 200% - 250% population by 10% in both directions. The top row is what is modeled in Scenario A With Waiver 5- and 10- year projections. It assumes the MLR of the QHPs consumers between 200 – 250% of FPL would have otherwise been enrolled in mirror the same plan selections in MLR for the market for 2022. The average MLR is assumed to be 79.2% in the Baseline Without Waiver, so it is assumed carriers will adjust premiums in the rest of the QHP by 2.2% due to this loss of these profitable plan in the With Waiver scenario. The subsequent sensitivity analyses demonstrate the projected impact to the QHP premiums if the MLR of this group differs from the With Waiver scenario. The Improved 200 – 250% FPL Loss Ratio Assumption shows the resulting average premium PMPM increase by 3.8%, as opposed to the 2.2% projected increase, resulting in increased federal spend for years 2024 – 2028 if the average MLR of the QHPs for the migrating 200 – 250% of FPL population is lower than what is modeled in the Waiver. A lower MLR means the enrolled individuals are more profitable for carriers than estimated with the Waiver. Carriers would be expected to respond to the loss of these consumers by shifting more costs to the remaining QHP market by increasing premiums to maintain profitability. The decrease in MLR would be expected to result in an increase in the average premiums and projected federal spend on PTCs.

The Worse 200 – 250% FPL Loss Ratio Assumption shows the resulting average premium PMPM and the projected decrease in federal spend for years 2024 – 2028 if the average MLR of the QHPs for the migrating 200 – 250% of FPL population is higher than what is modeled in the Waiver. A higher MLR means the enrolled individuals are less profitable for carriers than estimated with the Waiver. Carriers would be expected to respond to the loss of these consumers by shifting less costs to the remaining QHP market. The increase in MLR would be expected to result in a lower premium impact and projected federal spend on PTCs than what is modeled in the Waiver as carriers would not need to raise premiums as high in the QHP market to maintain the same level of profitability. An improved loss ratio for the exiting 200 – 250% FPL population would also lead to larger increases to premiums in the QHP market, lowering expected enrollment for subsidy-ineligible consumers, but this would have no effect on federal spend.

Table 5.3.1: 200 – 250% FPL Health Status and Potential Impact on QHP Market Using MLR Methodology

Sensitivity Analysis for Individual Premium/APTC Impact from 200-250% Market Exit						
Waiver Modeled Scenario	2024	2025	2026	2027	2028	5-Year Total
Total Individual Market (79.2% MLR 200-250%)						
Subsidized Premium PMPM	$728	$763	$799	$838	$878	$786
Subsidized APTCs PMPM	$273	$299	$273	$301	$330	$293
Projected Federal Spend	$516,932,667	$570,242,426	$267,228,542	$296,412,593	$327,586,018	$1,978,402,246
Improved 200-250% Loss Ratio						
Loss Ratio -10%	2024	2025	2026	2027	2028	5-Year Total
Total Individual Market (69.2% MLR 200-250%)						
Subsidized Premium PMPM	$739	$775	$812	$851	$892	$798
Subsidized APTCs PMPM	$285	$311	$286	$314	$344	$305
Projected Federal Spend	$538,659,672	$593,190,402	$279,575,799	$309,437,507	$341,325,781	$2,062,189,161
Difference (-10% MLR)						
Subsidized Premium PMPM	$11	$12	$13	$13	$14	$12
Subsidized APTCs PMPM	$11	$12	$13	$13	$14	$12
Projected Federal Spend	$21,727,005	$22,947,976	$12,347,257	$13,024,913	$13,739,764	$83,786,914
Worse 200-250% Loss Ratio						
Loss Ratio +10%	2024	2025	2026	2027	2028	5-Year Total
Total Individual Market (89.2% MLR 200-250%)						
Subsidized Premium PMPM	$716	$751	$787	$824	$864	$774
Subsidized APTCs PMPM	$262	$287	$260	$288	$316	$280
Projected Federal Spend	$495,205,663	$547,294,451	$254,881,285	$283,387,680	$313,846,254	$1,894,615,332
Difference (+10% MLR)						
Subsidized Premium PMPM	($11)	($12)	($13)	($13)	($14)	($12)
Subsidized APTCs PMPM	($11)	($12)	($13)	($13)	($14)	($12)
Projected Federal Spend	($21,727,005)	($22,947,976)	($12,347,257)	($13,024,913)	($13,739,764)	($83,786,914)

Essential Plan Premium Cost Impact Using Age & Gender Methodology

The Deloitte team wanted to also assess alternative methods to determine the sensitivity of the impact on premiums from the migration of the 200 – 250% of FPL. After weighing multiple options, it was determined that a viable approach for comparing relative risk across populations would be to use an age/gender risk factor that combined population-specific demographic information with a publicly available[22], accredited study that calculated cost relativities for age groupings, split by gender.

Assessing the age and gender mix of the 200 to 250% of FPL On-exchange consumer group in comparison to other consumers in the QHP market suggests that migration of this population would cause premiums in the QHP market to rise 0.5% due to morbidity adjustments that may

[22] https://www.soa.org/resources/research-reports/2013/research-health-care-birth-death/

potentially be made by carriers during the rate setting process. The 200 – 250% of FPL QHP cohort currently buying on the exchange is slightly younger (43.6 years old) with a higher percentage of females (53.2%) than the rest of the QHP market (43.7 years old, 51.6% female). [23]

For determining the cost differences between the migrating 200 – 250% of FPL cohort and the projected 2024 Essential Plan rate for the 150 – 200% of FPL group, the medical loss ratio methodology lacked key data components, such as provider fee schedule differences between Essential Plan consumers and individual market consumers. The estimated rate difference using age and gender relativity factors results in a 9.5% difference in comparison to Essential Plan consumers between 150 and 200% of FPL. To test the sensitivity of this assumption, we adjusted the age/gender relativity factors for the 200% - 250% FPL population by 15% in both directions.

The following table is the summary results from the sensitivity analysis. The top row is modeled in Scenario A With Waiver 5- and 10- year projections. The subsequent sensitivity analyses demonstrate the projected impact to the Essential Plan premiums if health status of the 200 – 250% of FPL population differs from the With Waiver scenario.

Table 5.3.2: 200 – 250% FPL Health Status and Potential Impact on Essential Plan Rates

Sensitivity Analysis for 200-250% Health Status on Essential Plan Rates						
Waiver Modeled Scenario	2024	2025	2026	2027	2028	5-Year Total
Essential Plan (200-250% A/G 1.095)						
Average Premium PMPM	$567	$590	$613	$638	$663	$615
Aggregate Premiums (millions)	$7,220	$7,747	$8,189	$8,671	$9,180	$41,006
Diminished 200-250% Health Status						
15% Worse Health Status	2024	2025	2026	2027	2028	5-Year Total
Essential Plan (200-250% A/G +15%)						
Average Premium PMPM	$575	$599	$621	$646	$671	$623
Aggregate Premiums (millions)	$7,315	$7,856	$8,295	$8,781	$9,296	$41,544
Difference (A/G +15%)						
Average Premium PMPM	$8	$8	$8	$8	$8	$8
Aggregate Premiums (millions)	$96	$109	$106	$111	$115	$537
Improved 200-250% Health Status						
15% Better Health Status	2024	2025	2026	2027	2028	5-Year Total
Essential Plan (200-250% A/G -15%)						
Average Premium PMPM	$560	$582	$605	$630	$655	$607
Aggregate Premiums (millions)	$7,124	$7,637	$8,083	$8,560	$9,065	$40,469
Difference (A/G -15%)						
Average Premium PMPM	($8)	($8)	($8)	($8)	($8)	($8)
Aggregate Premiums (millions)	($96)	($109)	($106)	($111)	($115)	($537)

[23] The age/gender factor for the 200% - 250% group is 1.288, compared to an age/gender factor of 1.332 for other FPLs. The weighted age/gender factor for the entire individual on-exchange group is 1.325.

Appendix A: Scenario A Detailed 10-Year Estimates (Current Law)

The following provides an analysis of the proposed waiver under current law for expansion to consumers with incomes between 200 – 250% of FPL. The analysis estimates that the proposed Waiver meets each of the four guardrails for the 5 years of the waiver and projected 10-year analysis. The summary results are shown in the table below.

Table A1. Scenario A High-Level Guardrail Compliance of 1332 Waiver

Guardrail	Estimated Impact With Waiver (WW) Compared to Without Waiver (WoW)
Comprehensiveness	The Waiver is projected to meet the comprehensiveness guardrail as consumers have access to more comprehensive coverage compared to the Baseline Without Waiver Scenario. • Consumers with incomes between 200 – 250% of FPL will experience an increase in comprehensiveness. • There are no expected impacts for other consumers in the individual market. • There are no expected impacts for other consumers in the Essential Plan.

Affordability	The Waiver is projected to meet the affordability guardrail as the overall affordability across the market is improved compared to the Baseline Without Waiver Scenario.
	• Affordability for current Essential Plan members is not expected to change.
	• Affordability for consumers with incomes between 200-250% is expected to improve significantly under the Waiver for an aggregate savings of $2.4 billion over the 5 years.
	  ○ The average annual affordability increase of $7,400 per year ($5,450 in premiums, $1,950 in out-of-pocket spend) is to roughly 20% of income for the 200-250% FPL population.
	• Affordability for subsidized On-exchange consumers is not expected to change under the Waiver.
	• Affordability for subsidy-ineligible On-exchange consumers and Off-exchange consumers is expected to decrease slightly as premiums are expected to increase by an additional 2.2% in 2024 under the Waiver.
	  ○ The average annual affordability reduction of $325 per year falls in the range of 0.1% to 0.5% of income for subsidy-ineligible On-exchange and Off-exchange consumers.

Coverage	The Waiver is projected to meet the coverage guardrail as more consumers are expected to enroll in coverage compared to the Baseline Without Waiver Scenario. • Overall enrollment for the Essential Plan and individual market is expected to increase by a combined 1.6% for PY 2024, 2.2% for PY 2025, 2.1% for PY 2026, 2.1% for PY 2027, and 2.1% for PY 2028.
Deficit Neutrality	The Waiver is projected to meet the deficit neutrality guardrail as the federal government is projected to have a net savings compared to the Baseline Without Waiver Scenario. • The net federal spend under the waiver is estimated to decrease by $9.4 billion in PY 2024 and $51.4 billion over the 5-year waiver period, before pass-through funding. • The net federal spend under the waiver is estimated to remain the same in PY 2024 and over the 5-year waiver period, after accounting for pass-through funding.

Table A2. Baseline Without and With Waiver Annual Funding Estimates, PY 2024-2033

Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Individual Market										
Without Waiver PTCs	$703,275,446	$773,724,334	$443,099,810	$491,831,155	$543,891,229	$599,480,314	$658,810,162	$722,104,635	$789,600,385	$861,547,570
With Waiver PTCs	$516,932,667	$570,242,426	$267,228,542	$296,412,593	$327,586,018	$360,868,359	$396,386,001	$434,272,546	$474,669,224	$517,725,315
Difference	$186,342,778	$203,481,908	$175,871,268	$195,418,562	$216,305,211	$238,611,955	$262,424,161	$287,832,089	$314,931,162	$343,822,255
Essential Plan										
Without Waiver BHP Funding	$9,170,453,681	$9,849,543,991	$9,782,206,693	$10,454,221,267	$11,172,404,415	$11,939,928,189	$12,760,182,589	$13,636,790,547	$14,573,623,923	$15,574,820,621
With Waiver BHP Funding	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Difference	$9,170,453,681	$9,849,543,991	$9,782,206,693	$10,454,221,267	$11,172,404,415	$11,939,928,189	$12,760,182,589	$13,636,790,547	$14,573,623,923	$15,574,820,621
Employer Shared Responsibility Revenue										
Employer Penality Loss	($2,592,000)	($2,970,000)	($3,006,000)	($3,258,000)	($3,746,700)	($4,308,705)	($4,955,011)	($5,698,262)	($6,553,002)	($7,535,952)
Combined Totals										
Without Waiver Federal Spend	$9,871,137,127	$10,620,298,326	$10,222,300,504	$10,942,794,423	$11,712,548,944	$12,535,099,798	$13,414,037,740	$14,353,196,919	$15,356,671,307	$16,428,832,239
With Waiver Federal Spend	$516,932,667	$570,242,426	$267,228,542	$296,412,593	$327,586,018	$360,868,359	$396,386,001	$434,272,546	$474,669,224	$517,725,315
Total Federal Savings	**$9,354,204,459**	**$10,050,055,899**	**$9,955,071,962**	**$10,646,381,829**	**$11,384,962,927**	**$12,174,231,439**	**$13,017,651,740**	**$13,918,924,373**	**$14,882,002,083**	**$15,911,106,924**
Requested Pass-through	$9,354,204,459	$10,050,055,899	$9,955,071,962	$10,646,381,829	$11,384,962,927	$12,174,231,439	$13,017,651,740	$13,918,924,373	$14,882,002,083	$15,911,106,924
Net Federal Savings	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Combined Totals	5-Year Total	10-Year Total
Without Waiver Federal Spend	$53,369,079,323	$125,456,917,326
With Waiver Federal Spend	$1,978,402,246	$4,162,323,691
Total Federal Savings	**$51,390,677,077**	**$121,294,593,635**
Requested Pass-through	$51,390,677,077	$121,294,593,635
Net Federal Savings	**$0**	**$0**

Table A3. SLCSP Premium Without and With Waiver by Rating Area, PY 2024 – 2033

Baseline - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Second Lowest Cost Silver Plans (SLCSP) Monthly Premiums										
Rating Area 1	$567	$595	$623	$653	$684	$717	$752	$788	$825	$865
Rating Area 2	$474	$497	$521	$546	$572	$599	$628	$658	$690	$723
Rating Area 3	$641	$672	$704	$738	$773	$810	$849	$890	$932	$977
Rating Area 4	$721	$755	$792	$830	$870	$911	$955	$1,001	$1,049	$1,099
Rating Area 5	$556	$583	$611	$640	$671	$703	$737	$772	$809	$848
Rating Area 6	$615	$645	$676	$708	$742	$778	$815	$854	$895	$938
Rating Area 7	$583	$611	$640	$671	$703	$737	$773	$810	$849	$889
Rating Area 8	$702	$735	$770	$807	$846	$887	$929	$974	$1,021	$1,070

With Waiver - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Second Lowest Cost Silver Plans (SLCSP) Monthly Premiums										
Rating Area 1	$580	$607	$637	$667	$699	$733	$768	$805	$843	$884
Rating Area 2	$484	$508	$532	$557	$584	$612	$642	$672	$705	$738
Rating Area 3	$655	$686	$719	$753	$790	$828	$867	$909	$953	$998
Rating Area 4	$736	$772	$809	$848	$888	$931	$976	$1,023	$1,072	$1,123
Rating Area 5	$568	$595	$624	$654	$685	$718	$753	$789	$827	$866
Rating Area 6	$628	$659	$690	$723	$758	$794	$833	$873	$914	$958
Rating Area 7	$596	$624	$654	$686	$719	$753	$789	$827	$867	$909
Rating Area 8	$717	$751	$787	$825	$865	$906	$949	$995	$1,043	$1,093

Table A4. Baseline Without Average Annual Enrollment by Metal Level, PY 2024 – 2033

Baseline - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,272,692**	**1,296,094**	**1,293,412**	**1,313,592**	**1,334,176**	**1,355,173**	**1,376,589**	**1,398,432**	**1,420,712**	**1,443,436**
Unsubsidized On/Off-Exchange Enrollment	66,122	64,435	124,043	123,236	122,435	121,639	120,849	120,063	119,283	118,507
Catastrophic	5,073	5,025	4,739	4,730	4,722	4,714	4,706	4,699	4,691	4,684
Bronze	21,026	20,462	42,758	42,472	42,189	41,907	41,627	41,349	41,072	40,797
Silver	21,525	20,941	45,249	44,945	44,644	44,344	44,046	43,750	43,456	43,164
Gold	10,038	9,771	17,674	17,556	17,439	17,322	17,206	17,091	16,977	16,863
Platinum	8,461	8,236	13,624	13,533	13,442	13,352	13,263	13,174	13,086	12,999
Subsidized On-Exchange Enrollment	236,570	237,659	149,369	150,356	151,349	152,348	153,354	154,367	155,387	156,413
Catastrophic	0	0	0	0	0	0	0	0	0	0
Bronze	88,312	88,718	55,760	56,128	56,499	56,872	57,247	57,625	58,006	58,389
Silver	96,331	96,774	60,823	61,225	61,629	62,036	62,446	62,858	63,273	63,691
Gold	30,993	31,136	19,569	19,698	19,828	19,959	20,091	20,224	20,357	20,492
Platinum	20,934	21,030	13,218	13,305	13,393	13,481	13,570	13,660	13,750	13,841
Essential Plan Enrollment	**970,000**	**994,000**	**1,020,000**	**1,040,000**	**1,060,392**	**1,081,185**	**1,102,386**	**1,124,002**	**1,146,043**	**1,168,516**
EP1	567,240	581,034	595,985	607,419	619,071	630,948	643,052	655,389	667,962	680,776
EP2	98,204	100,692	103,386	105,475	107,606	109,780	111,998	114,260	116,569	118,924
EP3	65,233	66,886	68,675	70,063	71,478	72,922	74,396	75,899	77,432	78,997
EP4	239,324	245,388	251,953	257,044	262,237	267,535	272,940	278,454	284,080	289,819

Table A5. With Waiver Average Annual Enrollment by Metal Level, PY 2024 – 2033

With Waiver - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,292,779**	**1,324,947**	**1,320,992**	**1,341,128**	**1,361,667**	**1,382,615**	**1,403,980**	**1,425,771**	**1,447,996**	**1,470,662**
Unsubsidized On/Off-Exchange Enrollment	63,102	61,122	120,753	120,002	119,255	118,513	117,776	117,043	116,315	115,592
Catastrophic	4,191	4,135	3,949	3,937	3,926	3,914	3,903	3,892	3,881	3,870
Bronze	20,282	19,620	41,845	41,580	41,317	41,056	40,796	40,538	40,281	40,026
Silver	20,815	20,130	44,329	44,047	43,768	43,490	43,214	42,940	42,667	42,396
Gold	9,670	9,356	17,297	17,188	17,079	16,971	16,863	16,757	16,651	16,545
Platinum	8,144	7,880	13,333	13,249	13,165	13,082	12,999	12,917	12,835	12,754
Subsidized On-Exchange Enrollment	168,922	170,243	87,405	87,979	88,556	89,138	89,724	90,313	90,906	91,503
Catastrophic	0	0	0	0	0	0	0	0	0	0
Bronze	63,059	63,552	32,628	32,842	33,058	33,275	33,494	33,714	33,935	34,158
Silver	68,785	69,323	35,591	35,825	36,060	36,297	36,535	36,775	37,017	37,260
Gold	22,131	22,304	11,451	11,526	11,602	11,678	11,755	11,832	11,910	11,988
Platinum	14,948	15,065	7,734	7,785	7,836	7,888	7,940	7,992	8,044	8,097
Essential Plan Enrollment	**1,060,756**	**1,093,583**	**1,112,834**	**1,133,148**	**1,153,855**	**1,174,963**	**1,196,480**	**1,218,415**	**1,240,774**	**1,263,567**
EP1	567,240	581,034	595,985	607,419	619,071	630,948	643,052	655,389	667,962	680,776
EP2	98,204	100,692	103,386	105,475	107,606	109,780	111,998	114,260	116,569	118,924
EP3	65,233	66,886	68,675	70,063	71,478	72,922	74,396	75,899	77,432	78,997
EP4	239,324	245,388	251,953	257,044	262,237	267,535	272,940	278,454	284,080	289,819
QHP 200%-250% FPL Population	90,756	99,583	92,834	93,148	93,462	93,778	94,095	94,413	94,731	95,051

Table A6. Baseline Without Waiver Average Annual Enrollment by FPL, PY 2024 – 2033

Baseline - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,272,692**	**1,296,094**	**1,293,412**	**1,313,592**	**1,334,176**	**1,355,173**	**1,376,589**	**1,398,432**	**1,420,712**	**1,443,436**
Unsubsidized On/Off-Exchange Enrollment	66,122	64,435	124,043	123,236	122,435	121,639	120,849	120,063	119,283	118,507
Below 400%	0	0	0	0	0	0	0	0	0	0
401% - 500%	0	0	24,239	24,082	23,925	23,770	23,615	23,462	23,309	23,158
501% - 600%	0	0	12,400	12,319	12,239	12,159	12,080	12,002	11,924	11,846
Over 600%	12,291	13,896	15,502	15,401	15,301	15,201	15,103	15,004	14,907	14,810
Do Not Report	52,482	51,142	71,902	71,435	70,970	70,509	70,051	69,595	69,143	68,693
Subsidized On-Exchange Enrollment	236,570	237,659	149,369	150,356	151,349	152,348	153,354	154,367	155,387	156,413
Below 139%	7,523	7,558	4,750	4,782	4,813	4,845	4,877	4,909	4,942	4,974
139% - 150%	288	290	182	183	184	186	187	188	189	191
151% - 200%	1,757	1,765	1,110	1,117	1,124	1,132	1,139	1,147	1,154	1,162
201% - 250%	69,010	69,122	62,093	62,470	62,849	63,230	63,614	64,000	64,388	64,779
251% - 300%	54,227	54,547	36,619	36,876	37,134	37,395	37,657	37,921	38,187	38,455
301% - 350%	40,022	40,258	27,027	27,216	27,407	27,599	27,793	27,988	28,184	28,381
351% - 400%	26,047	26,201	17,589	17,713	17,837	17,962	18,088	18,215	18,342	18,471
401% - 500%	21,502	21,629	0	0	0	0	0	0	0	0
501% - 600%	9,595	9,652	0	0	0	0	0	0	0	0
Over 600%	6,599	6,638	0	0	0	0	0	0	0	0
Essential Plan Enrollment	**970,000**	**994,000**	**1,020,000**	**1,040,000**	**1,060,392**	**1,081,185**	**1,102,386**	**1,124,002**	**1,146,043**	**1,168,516**
Below 150%	402,760	412,966	424,015	432,581	441,321	450,237	459,333	468,613	478,081	487,740
Over 151%	567,240	581,034	595,985	607,419	619,071	630,948	643,052	655,389	667,962	680,776

Table A7. Baseline With Waiver PY Average Annual Enrollment by FPL, PY 2024 – 2033

With Waiver - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,292,779**	**1,324,947**	**1,320,992**	**1,341,128**	**1,361,667**	**1,382,615**	**1,403,980**	**1,425,771**	**1,447,996**	**1,470,662**
Unsubsidized On/Off-Exchange Enrollment	63,102	61,122	120,753	120,002	119,255	118,513	117,776	117,043	116,315	115,592
Below 400%	0	0	0	0	0	0	0	0	0	0
401% - 500%	0	0	23,596	23,450	23,304	23,159	23,015	22,872	22,729	22,588
501% - 600%	0	0	12,071	11,996	11,921	11,847	11,773	11,700	11,627	11,555
Over 600%	12,045	13,568	15,091	14,997	14,903	14,811	14,719	14,627	14,536	14,446
Do Not Report	51,057	47,554	69,995	69,560	69,127	68,697	68,270	67,845	67,423	67,003
Subsidized On-Exchange Enrollment	168,922	170,243	87,405	87,979	88,556	89,138	89,724	90,313	90,906	91,503
Below 139%	7,490	7,548	3,875	3,901	3,927	3,952	3,978	4,004	4,031	4,057
139% - 150%	287	289	149	149	150	151	152	153	154	155
151% - 200%	1,750	1,763	905	911	917	923	929	935	942	948
201% - 250%	410	413	212	213	215	216	218	219	220	222
251% - 300%	54,568	54,995	37,083	37,326	37,571	37,818	38,067	38,317	38,568	38,822
301% - 350%	40,274	40,589	27,369	27,548	27,729	27,912	28,095	28,279	28,465	28,652
351% - 400%	26,211	26,416	17,812	17,929	18,047	18,165	18,285	18,405	18,526	18,647
401% - 500%	21,637	21,807	0	0	0	0	0	0	0	0
501% - 600%	9,655	9,731	0	0	0	0	0	0	0	0
Over 600%	6,641	6,693	0	0	0	0	0	0	0	0
Essential Plan Enrollment	**1,060,756**	**1,093,583**	**1,112,834**	**1,133,148**	**1,153,855**	**1,174,963**	**1,196,480**	**1,218,415**	**1,240,774**	**1,263,567**
Below 150%	402,760	412,966	424,015	432,581	441,321	450,237	459,333	468,613	478,081	487,740
151% - 200%	567,240	581,034	595,985	607,419	619,071	630,948	643,052	655,389	667,962	680,776
Over 201%	90,756	99,583	92,834	93,148	93,462	93,778	94,095	94,413	94,731	95,051

Table A8. Without and With Waiver Monthly Federal Funding by Metal Level and Rate Cohort

Without Waiver - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Exchange Subsidized APTCs	$265	$291	$265	$292	$321	$351	$384	$418	$454	$492
Bronze	$252	$272	$260	$281	$304	$329	$354	$381	$410	$440
Silver	$315	$342	$321	$350	$381	$413	$447	$483	$522	$562
Gold	$218	$248	$199	$231	$265	$300	$338	$379	$421	$467
Platinum	$164	$197	$126	$162	$199	$239	$281	$326	$374	$425
Essential Plan BHP Funding	**$788**	**$826**	**$799**	**$838**	**$878**	**$920**	**$965**	**$1,011**	**$1,060**	**$1,111**
EP1	$634	$664	$609	$638	$669	$701	$734	$770	$807	$845
EP2	$1,070	$1,121	$1,110	$1,164	$1,219	$1,278	$1,339	$1,404	$1,471	$1,542
EP3	$1,006	$1,054	$1,074	$1,125	$1,179	$1,236	$1,295	$1,357	$1,422	$1,491
EP4	$977	$1,024	$1,047	$1,097	$1,150	$1,205	$1,263	$1,324	$1,387	$1,454

With Waiver - Scenario A	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Exchange Subsidized APTCs	$273	$299	$273	$301	$330	$361	$394	$429	$466	$505
Bronze	$255	$275	$262	$285	$308	$333	$359	$386	$416	$446
Silver	$323	$350	$329	$358	$390	$423	$458	$495	$534	$575
Gold	$231	$262	$213	$245	$280	$317	$356	$397	$441	$487
Platinum	$186	$220	$151	$187	$226	$267	$310	$357	$406	$458
Essential Plan BHP Funding	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
EP1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EP2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EP3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EP4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
QHP 200%-250% FPL Population	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Appendix B: Scenario B Detailed 10-Year Estimates (IRA Subsidies Are Extended)

The following provides an analysis of the proposed waiver under current law for the expansion to consumers with incomes between 200 – 250% of FPL. The analysis estimates that the proposed Waiver meets each of the four guardrails for the 5 years of the waiver and projected 10-year analysis. The summary results are shown in the table below.

Table B1. Scenario B High-Level Guardrail Compliance of 1332 Waiver

Guardrail	Estimated Impact With Waiver (WW) Compared to Without Waiver (WoW)
Comprehensiveness	The Waiver is projected to meet the comprehensiveness guardrail as consumers have access to more comprehensive coverage compared to the Baseline Without Waiver Scenario. • Consumers with incomes between 200 – 250% of FPL will experience an increase in comprehensiveness. • There are no expected impacts for other consumers in the individual market. • There are no expected impacts for other consumers in the Essential Plan.
Affordability	The Waiver is projected to meet the affordability guardrail as the overall affordability across the market is improved compared to the Baseline Without Waiver Scenario. • Affordability for current Essential Plan members is not expected to change. • Affordability for consumers with incomes between 200-250% is expected to improve under the Waiver for an aggregate savings of $2.4 billion over the 5 years. • Affordability for subsidized On-exchange consumers is not expected to change under the Waiver. • Affordability for subsidy-ineligible On-exchange consumers and Off-exchange consumers is expected to decrease slightly as premiums are expected to increase by an additional 2.2% in 2024 under the Waiver.
Coverage	The Waiver is projected to meet the coverage guardrail as more consumers are expected to enroll in coverage compared to the Baseline Without Waiver Scenario. • Overall enrollment for the Essential Plan and individual market is expected to increase by a combined 1.6% for PY 2024, 2.2% for PY 2025, 2.1% for PY 2026, 2.1% for PY 2027, and 2.1% for PY 2028.
Deficit Neutrality	The Waiver is projected to meet the deficit neutrality guardrail as the federal government is projected to have a net savings compared to the Baseline Without Waiver Scenario. • The net federal spend under the waiver is estimated to decrease by $9.4 billion in PY 2024 and $51.4 billion over the 5-year waiver period, before pass-through funding. • The net federal spend under the waiver is estimated to remain the same in PY 2024 and over the 5-year waiver period, after accounting for pass-through funding.

Table B2. Baseline Without and With Waiver Annual Funding Estimates, PY 2024-2033

Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Individual Market										
Without Waiver PTCs	$703,275,446	$773,724,334	$710,479,587	$791,452,836	$878,408,291	$971,742,372	$1,071,876,858	$1,179,260,485	$1,294,370,662	$1,417,715,287
With Waiver PTCs	$516,932,667	$570,242,426	$526,477,525	$584,108,753	$645,688,029	$711,453,868	$781,658,501	$856,568,651	$936,466,346	$1,021,649,782
Difference	$186,342,778	$203,481,908	$184,002,062	$207,344,083	$232,720,261	$260,288,504	$290,218,356	$322,691,834	$357,904,317	$396,065,505
Essential Plan										
Without Waiver BHP Funding	$9,170,453,681	$9,849,543,991	$9,782,206,693	$10,454,221,267	$11,172,404,415	$11,939,928,189	$12,760,182,589	$13,636,790,547	$14,573,623,923	$15,574,820,621
With Waiver BHP Funding	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Difference	$9,170,453,681	$9,849,543,991	$9,782,206,693	$10,454,221,267	$11,172,404,415	$11,939,928,189	$12,760,182,589	$13,636,790,547	$14,573,623,923	$15,574,820,621
Employer Shared Responsibility Revenue										
Employer Penality Loss	($2,592,000)	($2,970,000)	($3,006,000)	($3,258,000)	($3,746,700)	($4,308,705)	($4,955,011)	($5,698,262)	($6,553,002)	($7,535,952)
Combined Totals										
Without Waiver Federal Spend	$9,871,137,127	$10,620,298,326	$10,489,680,280	$11,242,416,103	$12,047,066,006	$12,907,361,856	$13,827,104,436	$14,810,352,769	$15,861,441,584	$16,984,999,955
With Waiver Federal Spend	$516,932,667	$570,242,426	$526,477,525	$584,108,753	$645,688,029	$711,453,868	$781,658,501	$856,568,651	$936,466,346	$1,021,649,782
Total Federal Savings	**$9,354,204,459**	**$10,050,055,899**	**$9,963,202,755**	**$10,658,307,350**	**$11,401,377,977**	**$12,195,907,988**	**$13,045,445,935**	**$13,953,784,118**	**$14,924,975,238**	**$15,963,350,174**
Requested Pass-through	$9,354,204,459	$10,050,055,899	$9,963,202,755	$10,658,307,350	$11,401,377,977	$12,195,907,988	$13,045,445,935	$13,953,784,118	$14,924,975,238	$15,963,350,174
Net Federal Savings	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

Combined Totals	5-Year Total	10-Year Total
Without Waiver Federal Spend	$54,270,597,842	$128,661,858,442
With Waiver Federal Spend	$2,843,449,401	$7,151,246,549
Total Federal Savings	**$51,427,148,441**	**$121,510,611,894**
Requested Pass-through	$51,427,148,441	$121,510,611,894
Net Federal Savings	**$0**	**$0**

Table B3. SLCSP Premium Without and With Waiver by Rating Area, PY 2024 – 2033

Baseline - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Second Lowest Cost Silver Plans (SLCSP) Monthly Premiums										
Rating Area 1	$567	$595	$623	$653	$684	$717	$752	$788	$825	$865
Rating Area 2	$474	$497	$521	$546	$572	$599	$628	$658	$690	$723
Rating Area 3	$641	$672	$704	$738	$773	$810	$849	$890	$932	$977
Rating Area 4	$721	$755	$792	$830	$870	$911	$955	$1,001	$1,049	$1,099
Rating Area 5	$556	$583	$611	$640	$671	$703	$737	$772	$809	$848
Rating Area 6	$615	$645	$676	$708	$742	$778	$815	$854	$895	$938
Rating Area 7	$583	$611	$640	$671	$703	$737	$773	$810	$849	$889
Rating Area 8	$702	$735	$770	$807	$846	$887	$929	$974	$1,021	$1,070

With Waiver - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Second Lowest Cost Silver Plans (SLCSP) Monthly Premiums										
Rating Area 1	$580	$607	$637	$667	$699	$733	$768	$805	$843	$884
Rating Area 2	$484	$508	$532	$557	$584	$612	$642	$672	$705	$738
Rating Area 3	$655	$686	$719	$753	$790	$828	$867	$909	$953	$998
Rating Area 4	$736	$772	$809	$848	$888	$931	$976	$1,023	$1,072	$1,123
Rating Area 5	$568	$595	$624	$654	$685	$718	$753	$789	$827	$866
Rating Area 6	$628	$659	$690	$723	$758	$794	$833	$873	$914	$958
Rating Area 7	$596	$624	$654	$686	$719	$753	$789	$827	$867	$909
Rating Area 8	$717	$751	$787	$825	$865	$906	$949	$995	$1,043	$1,093

Table B4. Baseline Without Average Annual Enrollment by Metal Level, PY 2024 – 2033

Baseline - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,272,692**	**1,296,094**	**1,322,112**	**1,342,200**	**1,362,804**	**1,383,928**	**1,405,578**	**1,427,759**	**1,450,478**	**1,473,740**
Unsubsidized On/Off-Exchange Enrollment	66,122	64,435	62,609	60,248	57,976	55,790	53,686	51,662	49,714	47,839
Catastrophic	5,073	5,025	4,981	4,924	4,871	4,822	4,776	4,733	4,694	4,657
Bronze	21,026	20,462	19,850	19,057	18,295	17,560	16,853	16,171	15,515	14,884
Silver	21,525	20,941	20,307	19,485	18,695	17,933	17,200	16,493	15,813	15,158
Gold	10,038	9,771	9,480	9,105	8,743	8,395	8,059	7,736	7,425	7,126
Platinum	8,461	8,236	7,992	7,677	7,373	7,080	6,799	6,528	6,267	6,015
Subsidized On-Exchange Enrollment	236,570	237,659	239,503	241,952	244,435	246,953	249,506	252,095	254,721	257,385
Catastrophic	0	0	0	0	0	0	0	0	0	0
Bronze	88,312	88,718	89,407	90,321	91,248	92,187	93,141	94,107	95,088	96,082
Silver	96,331	96,774	97,525	98,522	99,533	100,559	101,598	102,653	103,722	104,807
Gold	30,993	31,136	31,378	31,698	32,024	32,353	32,688	33,027	33,371	33,720
Platinum	20,934	21,030	21,194	21,410	21,630	21,853	22,079	22,308	22,540	22,776
Essential Plan Enrollment	**970,000**	**994,000**	**1,020,000**	**1,040,000**	**1,060,392**	**1,081,185**	**1,102,386**	**1,124,002**	**1,146,043**	**1,168,516**
EP1	567,240	581,034	595,985	607,419	619,071	630,948	643,052	655,389	667,962	680,776
EP2	98,204	100,692	103,386	105,475	107,606	109,780	111,998	114,260	116,569	118,924
EP3	65,233	66,886	68,675	70,063	71,478	72,922	74,396	75,899	77,432	78,997
EP4	239,324	245,388	251,953	257,044	262,237	267,535	272,940	278,454	284,080	289,819

Table B5. With Waiver Average Annual Enrollment by Metal Level, PY 2024 – 2033

With Waiver - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,292,779**	**1,324,947**	**1,350,963**	**1,371,026**	**1,391,525**	**1,412,466**	**1,433,856**	**1,455,704**	**1,478,015**	**1,500,799**
Unsubsidized On/Off-Exchange Enrollment	63,102	61,122	58,865	57,449	56,068	54,719	53,403	52,119	50,865	49,642
Catastrophic	4,191	4,135	4,077	4,039	4,003	3,969	3,935	3,903	3,872	3,842
Bronze	20,282	19,620	18,865	18,391	17,928	17,476	17,035	16,605	16,184	15,774
Silver	20,815	20,130	19,348	18,857	18,377	17,909	17,452	17,006	16,571	16,146
Gold	9,670	9,356	8,997	8,773	8,553	8,339	8,130	7,925	7,726	7,532
Platinum	8,144	7,880	7,579	7,390	7,206	7,026	6,851	6,679	6,512	6,348
Subsidized On-Exchange Enrollment	168,922	170,243	172,199	173,370	174,549	175,736	176,932	178,135	179,347	180,567
Catastrophic	0	0	0	0	0	0	0	0	0	0
Bronze	63,059	63,552	64,282	64,719	65,159	65,602	66,049	66,498	66,950	67,406
Silver	68,785	69,323	70,119	70,596	71,076	71,560	72,046	72,536	73,030	73,527
Gold	22,131	22,304	22,560	22,713	22,868	23,023	23,180	23,338	23,496	23,656
Platinum	14,948	15,065	15,238	15,342	15,446	15,551	15,657	15,763	15,870	15,978
Essential Plan Enrollment	**1,060,756**	**1,093,583**	**1,119,899**	**1,140,207**	**1,160,908**	**1,182,010**	**1,203,522**	**1,225,450**	**1,247,803**	**1,270,590**
EP1	567,240	581,034	595,985	607,419	619,071	630,948	643,052	655,389	667,962	680,776
EP2	98,204	100,692	103,386	105,475	107,606	109,780	111,998	114,260	116,569	118,924
EP3	65,233	66,886	68,675	70,063	71,478	72,922	74,396	75,899	77,432	78,997
EP4	239,324	245,388	251,953	257,044	262,237	267,535	272,940	278,454	284,080	289,819
QHP 200%-250% FPL Population	90,756	99,583	99,899	100,207	100,516	100,825	101,136	101,448	101,760	102,074

Table B6. Baseline Without Waiver Average Annual Enrollment by FPL, PY 2024 – 2033

Baseline - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,272,692**	**1,296,094**	**1,322,112**	**1,342,200**	**1,362,804**	**1,383,928**	**1,405,578**	**1,427,759**	**1,450,478**	**1,473,740**
Unsubsidized On/Off-Exchange Enrollment	66,122	64,435	62,609	60,248	57,976	55,790	53,686	51,662	49,714	47,839
Below 400%	0	0	0	0	0	0	0	0	0	0
401% - 500%	0	0	0	0	0	0	0	0	0	0
501% - 600%	0	0	0	0	0	0	0	0	0	0
Over 600%	7,685	7,755	7,824	7,529	7,245	6,972	6,709	6,456	6,213	5,979
Do Not Report	58,437	56,680	54,785	52,719	50,731	48,818	46,977	45,206	43,501	41,861
Subsidized On-Exchange Enrollment	236,570	237,659	239,503	241,952	244,435	246,953	249,506	252,095	254,721	257,385
Below 139%	7,523	7,558	7,617	7,694	7,773	7,853	7,935	8,017	8,101	8,185
139% - 150%	288	290	292	295	298	301	304	307	310	314
151% - 200%	1,757	1,765	1,779	1,797	1,816	1,834	1,853	1,873	1,892	1,912
201% - 250%	69,010	69,122	69,500	69,870	70,241	70,615	70,990	71,368	71,748	72,129
251% - 300%	54,227	54,547	55,024	55,704	56,394	57,095	57,807	58,530	59,265	60,011
301% - 350%	40,022	40,258	40,610	41,112	41,621	42,139	42,664	43,198	43,740	44,291
351% - 400%	26,047	26,201	26,430	26,756	27,088	27,425	27,767	28,114	28,467	28,825
401% - 500%	21,502	21,629	21,818	22,088	22,362	22,640	22,922	23,209	23,500	23,796
501% - 600%	9,595	9,652	9,736	9,856	9,978	10,102	10,228	10,356	10,486	10,618
Over 600%	6,599	6,638	6,696	6,779	6,863	6,948	7,035	7,123	7,213	7,303
Essential Plan Enrollment	**970,000**	**994,000**	**1,020,000**	**1,040,000**	**1,060,392**	**1,081,185**	**1,102,386**	**1,124,002**	**1,146,043**	**1,168,516**
Below 150%	402,760	412,966	424,015	432,581	441,321	450,237	459,333	468,613	478,081	487,740
Over 151%	567,240	581,034	595,985	607,419	619,071	630,948	643,052	655,389	667,962	680,776

Table B7. Baseline With Waiver PY Average Annual Enrollment by FPL, PY 2024 – 2033

With Waiver - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Combined Enrollment	**1,292,779**	**1,324,947**	**1,350,963**	**1,371,026**	**1,391,525**	**1,412,466**	**1,433,856**	**1,455,704**	**1,478,015**	**1,500,799**
Unsubsidized On/Off-Exchange Enrollment	63,102	61,122	58,865	57,449	56,068	54,719	53,403	52,119	50,865	49,642
Below 400%	0	0	0	0	0	0	0	0	0	0
401% - 500%	0	0	0	0	0	0	0	0	0	0
501% - 600%	0	0	0	0	0	0	0	0	0	0
Over 600%	7,404	7,380	7,356	7,179	7,007	6,838	6,674	6,513	6,357	6,204
Do Not Report	55,698	53,741	51,509	50,270	49,061	47,881	46,729	45,605	44,508	43,438
Subsidized On-Exchange Enrollment	168,922	170,243	172,199	173,370	174,549	175,736	176,932	178,135	179,347	180,567
Below 139%	7,490	7,548	7,635	7,687	7,739	7,792	7,845	7,898	7,952	8,006
139% - 150%	287	289	293	295	297	299	301	303	305	307
151% - 200%	1,750	1,763	1,783	1,796	1,808	1,820	1,832	1,845	1,857	1,870
201% - 250%	410	413	418	420	423	426	429	432	435	438
251% - 300%	54,568	54,995	55,627	56,005	56,386	56,769	57,155	57,544	57,936	58,330
301% - 350%	40,274	40,589	41,055	41,334	41,615	41,898	42,183	42,470	42,759	43,050
351% - 400%	26,211	26,416	26,719	26,901	27,084	27,268	27,454	27,640	27,828	28,018
401% - 500%	21,637	21,807	22,057	22,207	22,358	22,510	22,663	22,818	22,973	23,129
501% - 600%	9,655	9,731	9,843	9,910	9,977	10,045	10,113	10,182	10,251	10,321
Over 600%	6,641	6,693	6,770	6,816	6,862	6,909	6,956	7,003	7,051	7,099
Essential Plan Enrollment	**1,060,756**	**1,093,583**	**1,119,899**	**1,140,207**	**1,160,908**	**1,182,010**	**1,203,522**	**1,225,450**	**1,247,803**	**1,270,590**
Below 150%	544,752	632,215	683,868	692,741	701,788	711,012	720,417	730,005	739,781	749,749
151% - 200%	575,922	594,440	611,874	623,327	634,998	646,893	659,017	671,372	683,964	696,797
Over 201%	94,174	104,861	106,154	106,470	106,786	107,103	107,421	107,740	108,060	108,381

Table B8. Without and With Waiver Monthly Federal Funding by Metal Level and Rate Cohort

Without Waiver - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Exchange Subsidized APTCs	$265	$291	$265	$292	$321	$351	$384	$418	$454	$492
Bronze	$252	$272	$260	$281	$304	$329	$354	$381	$410	$440
Silver	$315	$342	$321	$350	$381	$413	$447	$483	$522	$562
Gold	$218	$248	$199	$231	$265	$300	$338	$379	$421	$467
Platinum	$164	$197	$126	$162	$199	$239	$281	$326	$374	$425
Essential Plan BHP Funding	**$788**	**$826**	**$799**	**$838**	**$878**	**$920**	**$965**	**$1,011**	**$1,060**	**$1,111**
EP1	$634	$664	$609	$638	$669	$701	$734	$770	$807	$845
EP2	$1,070	$1,121	$1,110	$1,164	$1,219	$1,278	$1,339	$1,404	$1,471	$1,542
EP3	$1,006	$1,054	$1,074	$1,125	$1,179	$1,236	$1,295	$1,357	$1,422	$1,491
EP4	$977	$1,024	$1,047	$1,097	$1,150	$1,205	$1,263	$1,324	$1,387	$1,454

With Waiver - Scenario B	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Exchange Subsidized APTCs	$273	$299	$273	$301	$330	$361	$394	$429	$466	$505
Bronze	$255	$275	$262	$285	$308	$333	$359	$386	$416	$446
Silver	$323	$350	$329	$358	$390	$423	$458	$495	$534	$575
Gold	$231	$262	$213	$245	$280	$317	$356	$397	$441	$487
Platinum	$186	$220	$151	$187	$226	$267	$310	$357	$406	$458
Essential Plan BHP Funding	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
EP1	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EP2	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EP3	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
EP4	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
QHP 200%-250% FPL Population	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0

Appendix C: Essential Plan and QHP Regions

Table C1. Essential Plan Regions and Counties

Region 1	Region 2	Region 3
Bronx Kings New York Queens Richmond	Nassau Suffolk	Putnam Rockland Westchester
Region 4	**Region 5**	**Region 6**
Dutchess Orange Sullivan Ulster	Albany Fulton Montgomery Rensselaer Saratoga Schenectady Warren Washington	Clinton Essex Franklin Hamilton Herkimer Jefferson Lewis Oneida Oswego St. Lawrence
Region 7	**Region 8**	**Region 9**
Cayuga Chenango Columbia Cortland Greene Madison Onondaga Otsego Schoharie Schuyler Tompkins	Allegany Broome Cattaraugus Chautauqua Chemung Livingston Onondaga Ontario Seneca Steuben Tioga Wayne Yates	Erie Genesee Monroe Niagara Orleans Wyoming

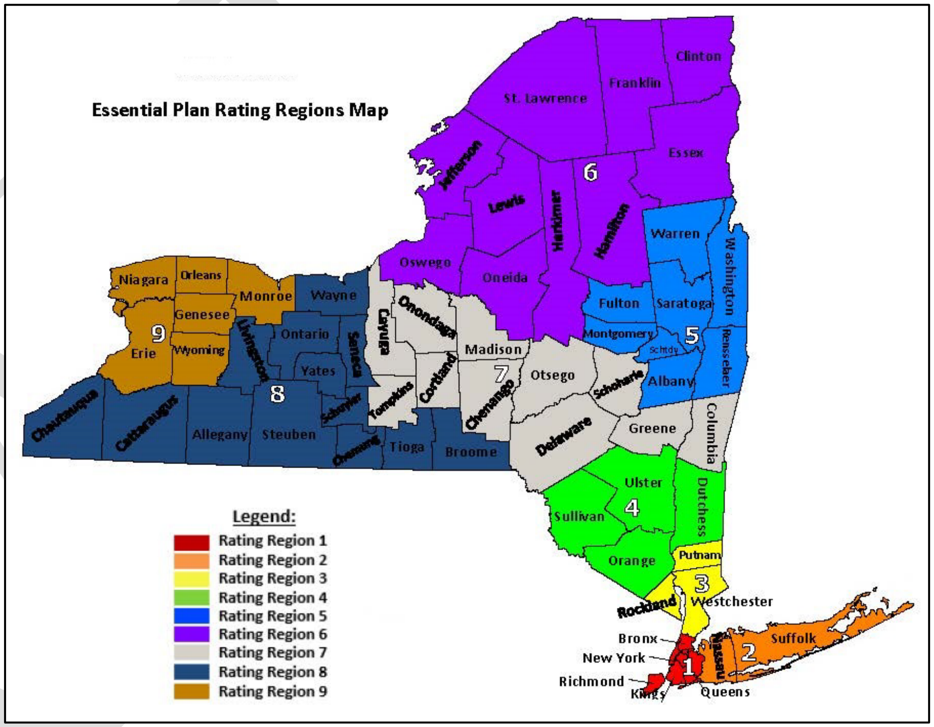

Table C2. QHP and SADP Rating Regions and Counties

Region 1 (Albany)	Region 2 (Buffalo)	Region 3 (Mid-Hudson)
Albany Columbia Fulton Greene Montgomery Rensselaer Saratoga Schenectady Schoharie Warren Washington	Allegany Cattaraugus Chautauqua Erie Genesee Niagara Orleans Wyoming	Delaware Dutchess Orange Putnam Sullivan Ulster
Region 4 (NYC)	**Region 5 (Rochester)**	**Region 6 (Syracuse)**
Bronx Kings New York Queens Richmond Rockland Westchester	Livingston Monroe Ontario Seneca Wayne Yates	Broome Cayuga Chemung Cortland Onondaga Schuyler Steuben Tioga Tompkins
Region 7 (Utica / Waterton)		**Region 8 (Long Island)**
Chenango Clinton Essex Franklin Hamilton Herkimer Jefferson	Lewis Madison Oneida Oswego Otsego St. Lawrence	Nassau Suffolk