

Pennsylvania Insurance Department – Section 1332 Innovation Waiver PY 2022 Comparative Report

Pennsylvania's Reinsurance Program (PA-Re) created under the Federal Section 1332 State Relief and Empowerment Waiver and enabled by Act 42 of 2019, continues to provide measurable savings. PA Re plays a significant role in driving individual market premiums down. For the second year of the reinsurance program, beginning January 1, 2022, the adopted parameters are an attachment point of \$60,000, a cap of \$100,000, and a coinsurance rate of 64 percent.

PA Re projects that under the 1332 waiver, premiums will be about 5.5% percent lower in 2022 than they would have been without the waiver. These are exciting measures for the over 400,000 lives who enroll in the individual health insurance market in Pennsylvania, especially during a time that has been filled with so much uncertainty presented by COVID-19.

The average final second lowest cost silver plan (SLCSP) rates for a representative individual (e.g. a 21-year-old nonsmoker) would have been \$372.44 per month without reinsurance. With PA Re, the average rate is \$350.69 per month.