



December 13, 2019

The PA Insurance Department 1332 Innovation Waiver
Attn: David Buono
1326 Strawberry Square
Harrisburg, PA 17120

Re: Pennsylvania Section 1332 State Innovation Waiver

Dear Mr. Buono:

The National Organization for Rare Disorders (NORD) appreciates the opportunity to submit comments on Pennsylvania's Section 1332 State Innovation Waiver.

NORD is a unique federation of voluntary health organizations dedicated to helping people with Rare "orphan" diseases and assisting the organizations that serve them. We are committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

NORD believes everyone should have quality and affordable healthcare coverage. A strong, robust marketplace is essential for people with rare diseases to access the coverage that they need. NORD supports Pennsylvania's efforts to strengthen its marketplace by submitting this 1332 State Innovation Waiver to implement a reinsurance program.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.ⁱ A recent analysis by Avalere of the seven states that have already created their own reinsurance programs through Section 1332 waivers found that these states reduced individual market premiums by an average of 19.9 percent in their first year.ⁱⁱ

Pennsylvania's proposal will create a reinsurance program starting for the 2021 plan year and continuing for 5 years. This program is projected to reduce premiums by between 4.9% and 7.5% and increase the number of individuals obtaining health insurance through the individual market by between .5% and 1.0%. This would help patients with pre-existing conditions, including patients with rare diseases, obtain affordable, comprehensive coverage.



NORD believes the 1332 State Innovation Waiver will help stabilize the individual market in Pennsylvania and protect patients and consumers. Thank you for the opportunity to provide comments.

Sincerely,

Rachel Sher,
Vice President of Policy and Regulatory Affairs

Kristin Smedly,
Pennsylvania Rare Action Network Volunteer State Ambassador

ⁱ American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes*. January 2017. Retrieved from https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf.

ⁱⁱ Avalere. *State-Run Reinsurance Programs Reduce ACA Premiums by 19.9% on Average*. March 2019. Retrieved from <https://avalere.com/press-releases/state-run-reinsurance-programs-reduce-aca-premiums-by-19-9-on-average>.