



July 11, 2017

The U.S. Department of Health and Human Services and The U.S. Department of Treasury approve Alaska's 1332 State Innovation Waiver Application

Today, the Centers for Medicare & Medicaid Services (CMS) and the United States Department of the Treasury announced the approval of Alaska's 1332 State Innovation Waiver application. Alaska sought a 1332 waiver to implement the Alaska Reinsurance Program (ARP) for 2018 and future years in an effort to stabilize the individual healthcare market.

"Today's approval will temporarily stabilize Alaska's individual insurance market, which only has one carrier and has experienced a 203 percent increase in insurance premiums since the Affordable Care Act began," said CMS Administrator Seema Verma.

As a result of this waiver:

- More consumers in Alaska may have coverage;
- Alaskans will see lower premiums;
- The second lowest cost silver plan premium will be reduced, resulting in the federal government spending less in premium tax credits; and
- The state will receive pass-through funding to help offset a substantial portion of state costs for the state-operated reinsurance program.

For plan year 2018, individuals obtaining coverage on the Exchanges are facing significant premium increases and the flight of insurance providers. Section 1332 waivers present an opportunity for states to develop solutions that help bring down costs and increase coverage choices for Americans faced with unaffordable premiums, high deductibles, and reduced competition in the insurance market brought on by the Patient Protection and Affordable Care Act (PPACA). CMS is encouraging all states to apply.

Alaska requested, and has been granted, a State Innovation Waiver under Section 1332 of the PPACA that allows the state to implement the ARP for the next five plan years (January 1, 2018 – December 31, 2022). The ARP is a state-operated program which covers claims in the individual market for people with one or more of 33 identified high cost conditions in order to help stabilize premiums for healthier participants. The ARP is administered by the State of Alaska and the Alaska Comprehensive Health Insurance Association (ACHIA). Alaska projects that the ARP will reduce premiums by 20 percent in 2018, and more consumers may have

coverage. Based on these projections, CMS and the United States Department of the Treasury are approving the request.

According to a recent [report](#) issued by the Department of Health and Human Services (HHS), Alaskans have seen individual market premiums increase 203 percent since 2013. CMS will continue to encourage other states to take advantage of the flexibilities available through State Innovation Waivers under section 1332 of the PPACA in order to pursue solutions to help lower costs and increase coverage choices for Americans faced with unaffordable premiums and reduced competition in the insurance market.

To learn more about the Alaska 1332 waiver, visit: <https://www.cms.gov/CCIIO/Programs-and-Initiatives/State-Innovation-Waivers/Downloads/Fact-Sheet.pdf>

Link to press release: <https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2017-Press-releases-items/2017-07-11.html>