



STATE INNOVATION WAIVERS

What are State Innovation Waivers?

Under Section 1332 of the ACA, states can waive key provisions of the law in order to implement innovative, alternate health coverage rules or programs while retaining basic consumer protections. Beginning in 2017, states can apply for the 5-year waivers through the Department of Health and Human Services (HHS). In the application, states can request to waive or modify any or all of the following ACA provisions:

- Essential Health Benefits (EHBs) and cost sharing requirements
- "Plan categories" (or metal levels) on Marketplaces
- Premium tax credits and cost-sharing reductions
- Marketplaces
- Individual and/or employer mandates

To receive consideration and approval for a waiver, a state must demonstrate that its innovation plan will not increase the federal deficit over ten years and will provide:

- Coverage that is at least as comprehensive;
- Coverage that is at least as affordable; and
- Coverage to at least a comparable number of residents

Through this process, states can also request a subsidy "pass through" to assist with funding the plan. The "pass through" provides the state with funds equal to the total premium tax credit and cost-sharing subsidies that residents would otherwise have received from the ACA regulated Marketplace.

Once a state applies for a waiver, HHS has 45 days to provide a preliminary determination that the application is complete as received, followed by issuing a final determination on the waiver no later than 180 days after the preliminary determination.

For more information, visit The Center for Consumer Information & Insurance Oversight's [State Innovation Waivers](#) page.



Which states have been approved for a waiver?

Section 1332 was effective Jan. 1, 2017. Since that time, the following state waivers have been approved:

- **Alaska** (effective 2018-2022): Waives the requirement to maintain a single risk pool in the individual market so that it can implement the Alaska Reinsurance Program.
- **Colorado** (effective 2020-2021): Allows federal pass through funding to partially finance a reinsurance program to be administered by the Colorado Department of Insurance. The reinsurance program will reimburse insurers 60% of claims paid between \$30,000 and an estimated \$400,000 cap.
- **Delaware** (effective 2020-2024): Allows federal pass through funding to partially finance Delaware Health Insurance Individual Market Stabilization Reinsurance Program. The reinsurance program will reimburse insurers 75% of claims paid between \$65,000 and \$215,000.
- **Hawaii** (effective 2017- 2021): Waives the requirement to operate a SHOP program, as well as related provisions. Hawaii will maintain its long-standing law that requires "virtually all employers" to offer coverage and provides small employers premium assistance.
- **Maine** (effective 2019-2023): Waives the requirement to maintain a single risk pool in the individual market so that it can implement the Maine Guaranteed Access Reinsurance Association program.
- **Maryland** (effective 2019-2023): Waives the requirement to maintain a single risk pool in the individual market so that it can implement the Maryland State Reinsurance Program.
- **Minnesota** (effective 2018-2022): Waives the requirement to maintain a single risk pool in the individual market so that it can implement the Minnesota Premium Security Plan Reinsurance Program.



- **Montana** (effective 2020-2024): Waives single risk pool requirement in the individual market to allow federal pass through funding to partially finance a reinsurance program to be administered by the Montana Reinsurance Association Board and the Commissioner of Securities and Insurance. The reinsurance program will reimburse insurers 60% of claims paid between \$40,000 and an estimated \$101,750 cap.
- **New Jersey** (effective 2019-2023): Waives the requirement to maintain a single risk pool in the individual market so that it can implement the New Jersey Health Insurance Premium Security Plan.
- **North Dakota** (effective 2020-2024): Allows federal pass through funding to partially finance the Reinsurance Association of North Dakota (RAND). RAND would reimburse insurers 75% of claims paid between \$100,000 and \$1,000,000.
- **Oregon** (effective 2018-2022): Waives the requirement to maintain a single risk pool in the individual market so that it can implement the Oregon Reinsurance Program.
- **Rhode Island** (effective 2020-2024): Allows federal pass-through funding to partially finance a reinsurance program to be administered by HealthSourceRI. The reinsurance program will reimburse insurers 50% of claims paid between \$40,000 and an estimated \$97,000 cap.
- **Wisconsin** (effective 2019-2023): Waives the requirement to maintain a single risk pool in the individual market so that it can implement the Wisconsin Healthcare Stability Plan.