June 17th, 2019

Montana Department of Administration
Healthcare & Benefits Division
100 North Park Ave
P.O. Box 200130
Helena, MT 59620-0130

Re: Montana Section 1332 State Innovation Waiver

Dear Montana Department of Administration:

The National Psoriasis Foundation (NPF) appreciates the opportunity to submit comments on Montana’s Section 1332 State Innovation Waiver. The NPF is a non-profit organization with a mission to drive efforts to cure psoriatic disease and improve the lives of those affected. The NPF is the leading patient advocacy group for more than 8 million Americans and the roughly 26,584 Montana residents living with psoriasis and psoriatic arthritis.

Adequate, affordable, and accessible care for our patient population is essential. In addition to managing psoriatic diseases, our patient community experiences a higher incidence of comorbid conditions, including cardiovascular disease and stroke, diabetes and hypertension, as well as depression and anxiety. Without proper diagnosis and care, quality of life and the efficacy of treatment can be negatively impacted. A strong, robust marketplace is essential to access comprehensive coverage that includes all of the treatments and services that our patients need to stay healthy at an affordable cost. NPF supports Montana’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. 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.

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Montana’s proposal will create a reinsurance program starting for the 2020 plan year and continuing for 5 years. This program is projected to reduce premiums by 8 percent and increase enrollment in the individual market by 1 percent in 2020 with similar or higher impacts in future years. This is significant as enrollment in the individual market has dropped 35.5 percent between 2016-2019.

NPF believes the 1332 State Innovation Waiver will help stabilize the individual market in Montana and protect patients and consumers. Thank you for the opportunity to provide comments. Should you have any questions for NPF regarding this issue, please contact Brittany Duffy-Goche, State Government Relations Manager (bduffy-goche@psoriasis.org).

Sincerely,

Randy Beranek
President and CEO
National Psoriasis Foundation