Section 1332 of the Patient Protection and Affordable Care Act (ACA) State Innovation Waivers – Reinsurance Waiver Annual Report, PY 2025

Reporting Instructions: Please capture data for annual 1332 waiver grant reporting in this template, which has been developed based on your specific terms and conditions (STCs), and in accordance with 45 CFR 155.1324(b)-(c). For any items that are marked "if applicable," please refer to the requirements in your STCs to determine whether you need to fill in those data fields. Draft Annual Reports are due within 90 days of the end of each calendar year that your waiver is in effect.

STATE: New Jersey

A. Grantee Information

1.	Reporting Period End Date	December 31, 2025
2.	Report Due Date	March 31, 2026
3.	Report Submitted On (Date)	March 30, 2026
4.	Federal Agency and Organization Element to Which Report is Submitted	Consumer Information & Insurance Oversight
5.	Federal Grant Number Assigned by Federal Agency	SIWI190007
6.	(a) UEI Grant Number	8071980230000
	(b) EIN	216000928
7.	Recipient Organization Name	New Jersey Department of Banking and Insurance
	Address Line 1	20 West State Street
	Address Line 2	P.O. Box 325
	Address Line 3	
	City	Trenton

State	New Jersey
ZIP Code	08625
ZIP Extension	0325

8. Grant Period Start Date: Jan 1, 2019

9. Grant Period End Date: Dec 31, 2028

10. Other Attachments (attach other documents as needed or as instructed by the awarding federal agency)

Post-Award Forum Powerpoint

B. Report Certification

11. Certification: I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.

(a) Typed or printed name and title of Authorized Certifying Official

Michael Fahncke, Assistant Commissioner

(b) Signature of Authorized Certifying Official

Michael Fahncke

Digitally signed by Michael Fahncke
Date: 2026.03.30 16:45:52 -04'00'

(c) Telephone (area code, number, and extension)

609-940-7576

(d) Email address

michael.fahncke@dobi.nj.gov

(e) Date report submitted (month/day/year)
March 30, 2026

C. Progress of Section 1332 Waiver – General

12. Provide an update on progress made in implementing and/or operating the state's approved 1332 waiver program.

Plan Year 2019

Reinsurance payments to carriers were completed by wire transfer on October 30, 2020. Payments, which included reinsurance-eligible run-out through September 30, 2020, and AUP adjustments, totaled $267,724,523.38.

Plan Year 2020

Reinsurance payments to carriers were completed by wire transfer on November 1, 2021. Payments, which included reinsurance-eligible run-out through September 30, 2021, and AUP adjustments, totaled $294,701,145.25.

Plan Year 2021

Reinsurance payments to carriers were completed by wire transfer on November 1, 2022. Payments, which included reinsurance-eligible run-out through September 30, 2022, and AUP adjustments, totaled $376,341,444.60.

Plan Year 2022

Reinsurance payments to carriers were completed by wire transfer on November 1, 2023. Payments, which included reinsurance-eligible run-out through September 30, 2022, and AUP adjustments, totaled $428,868,829.66.

Plan Year 2023

Reinsurance payments to carriers were completed by wire transfer on November 1, 2024. Payments, which included reinsurance-eligible run-out through September 30, 2023, and AUP adjustments, totaled $472,412,280.

Plan Year 2024

Reinsurance payments to carriers were completed by wire transfer on November 1, 2025. Payments, which included reinsurance-eligible run-out through September 30, 2024, and AUP adjustments, totaled $608,943,697.

Plan Year 2025

As required by N.J.S.A. 17B:27A-10.4e of the Act, the Board collected reinsurance payment requests from individual market carriers on a quarterly basis. Carriers submitted reinsurance payment requests for 2025 with the requests totaling $670,046,949.63 plus an additional conservative estimate of run-out of $147,518,520.25. The requested reinsurance payments will be reviewed before payments will be made by November 1, 2026.

The payment parameters for plan years 2024 and 2025 differed from the parameters that applied in plan years 2019 and 2020, as well as those that applied in plan years 2021 through 2023. The current parameters using an Attachment point of $35,000.00; Coinsurance of 50%; and a Reinsurance cap of $270,000.00.

Annual Public Forum

The annual public forum was held on December 9, 2025. Notice of the virtual forum, which was held as in person at 20 West State Street, Trenton, New Jersey, was posted at least 30 days in advance at https://www.state.nj.us/dobi/division_insurance/section1332/index.html.

No action was taken as a result of the Forum.

A copy of the presentation is provided with the report.

13. Describe any implementation and/or operational challenges to meet the 1332 statutory guardrails and plans for and results of associated corrective actions. If challenges were described in a prior annual report, only report on changes and/or updates, as appropriate.

None Noted

D. Progress of Section 1332 Waiver – State-specific

14. Metrics to assist evaluation of the waiver's compliance with statutory requirements in Section 1332(b)(1). Please report data for the full plan year (i.e., PY 2025).

    For projections—Provide the most up-to-date projections available at the time of completing this report. If the state does not have recent projections, provide projections from the Pass-through Funding Report. In the Comments column, please specify which scenario the projections reflect.

    For actuals—Provide the most up-to-date actuals available at the time of completing this report. If the state does not have actuals reflecting the full plan year, insert a placeholder (e.g., TBD) and specify in the Comments column when the data will be available. Once final actuals are known, please update the Annual Report.

Metric	Value	Comments (if applicable)
a. Projected and actual individual market enrollment (total annual member months) **on** the Exchange in the state for the plan year	Projected: 388,515 Actual: 501,102	Projected membership is based on the PY2025 URRT, which includes total projected on- and off-Exchange member months. The split between on- and off-Exchange enrollment is derived from 2024 reporting assumptions. Actual membership is sourced from the Get Covered New Jersey Enrollment Snapshots, which report only on-Exchange enrollment, and is grossed up using the prior year's estimated off-Exchange share to reflect total market membership.
b. Projected and actual individual market enrollment (total annual member months) **off** the Exchange in the state for the plan year.	Projected: 64,838 Actual: 83,627	Projected membership is based on the PY2025 URRT, which includes total projected on- and off-Exchange member months. The split between on- and off-Exchange enrollment is derived from

		2024 reporting assumptions. Actual membership is sourced from the Get Covered New Jersey Enrollment Snapshots, which report only on-Exchange enrollment, and is grossed up using the prior year's estimated off-Exchange share to reflect total market membership.
c. Projected and actual individual market total annual collected premiums **on** the Exchange for the plan year (i.e., total premiums collected by insurers, including any portion paid by APTC).	Projected: $3,327,616,150 Actual: $4,159,668,231	Projected premiums were calculated by weighting each plan's projected premium PMPM by its projected member months in the PY2025 URRT. On-Exchange premiums were estimated using plans flagged as On-Exchange in the URRT. Off-Exchange premiums were estimated using Off-Exchange plan premium PMPMs when available. When no corresponding off-exchange plan was present in the URRT, we assumed parity with the on-exchange premium and applied the projected off-exchange membership share to produce the total off-exchange estimate.

Metric	Value	Comments (if applicable)
d. Projected and actual average individual market premium rate **on** the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected: $713.75 Actual: $691.75	Projected premiums were calculated by weighting each plan's projected premium PMPM by its projected member months in the PY2025 URRT. On-Exchange premiums were estimated using plans flagged as On-Exchange in the URRT. Off-Exchange premiums were estimated using Off-Exchange plan premium PMPMs when available. When no corresponding off-exchange plan was present in the URRT, we assumed parity with the on-exchange premium and applied the projected off-exchange membership share to produce the total off-exchange estimate.
e. To the extent available, projected and actual individual market total annual collected premiums **off** the Exchange for the plan year.	Projected: $551,715,500 Actual: $681,080,862	Projected premiums were calculated by weighting each plan's projected premium PMPM by its projected member months in the PY2025 URRT. On-Exchange premiums were estimated using plans flagged as On-Exchange in the URRT. Off-Exchange premiums were estimated using Off-Exchange plan premium PMPMs when available. When no corresponding off-exchange plan was present in the URRT, we assumed parity with the on-exchange premium and applied the projected off-exchange membership.

		share to produce the total off-exchange estimate.
f. To the extent available, projected and actual average individual market premium rate **off** the Exchange (i.e., total individual market premiums divided by total member months of all enrollees) for the plan year.	Projected $709.10 Actual $678.69	Projected premiums were calculated by weighting each plan's projected premium PMPM by its projected member months in the PY2025 URRT. On-Exchange premiums were estimated using plans flagged as On-Exchange in the URRT. Off-Exchange premiums were estimated using Off-Exchange plan premium PMPMs when available. When no corresponding off-exchange plan was present in the URRT, we assumed parity with the on-exchange premium and applied the projected off-exchange membership share to produce the total off-exchange estimate.
g. Actual Second-Lowest Cost Silver Plan (SLCSP) premium for Exchange plans under the waiver for a representative consumer (e.g., a 21-year-old non- smoker) in each rating area for the plan year	Group 1: $381.46 Group 2: $391.11 Group 3: $381.46	Group 1 - Atlantic, Burlington, Camden, Cape May, Essex, Gloucester, Hudson, Mercer, Middlesex, Somerset, and Union Counties Group 2 - Bergen, Cumberland, Hunterdon, Morris, Passaic, Salem, Sussex, and Warren Counties Group 3 - Monmouth and Ocean County

h. Estimate of the SLCSP premium for Exchange plans as it would have been without the waiver for a representative consumer (e.g., a 21-year-old non- smoker) in each rating area for the plan year.	Group 1: $451.42 Group 2: $462.87 Group 3: $451.42	Group 1 - Atlantic, Burlington, Camden, Cape May, Essex, Gloucester, Hudson, Mercer, Middlesex, Somerset, and Union Counties Group 2 - Bergen, Cumberland, Hunterdon, Morris, Passaic, Salem, Sussex, and Warren Counties Group 3 - Monmouth and Ocean County

Metric	Value	Comments (if applicable)
i. ***For states with State-based Exchanges***: actual amount of Advanced Premium Tax Credit (APTC) paid to issuers, by rating area for the plan year.	$2,915,492,539	
j. ***For states with State-based Exchanges***: actual number of APTC recipients for the plan year. This should be reported as number summed over all 12 months and divided by 12 to provide an annualized measure.	445,878	

15. Please confirm whether there was any impact of the waiver on the scope of benefits or Essential Health Benefit (EHB) benchmark.

    The waiver has had no impact on either the scope of benefits or the EHB benchmark.

16. Describe any technical changes made to the state's waiver plan during the plan year (i.e., PY 2025), including but not limited to changes in: program funding levels; reinsurance payment parameters; reinsurance reimbursement eligibility criteria for enrollee claims. If there were no technical changes, please confirm the final payment parameters and program funding levels.

    Secondly, if applicable, describe any technical changes being considered for the upcoming PY.

    There were no changes to the approved payment parameters or eligibility criteria moving from plan year 2019 into plan year 2020. For plan years 2021, 2022 and 2023 the payment parameters were as follows:
    Attachment point: $35,000.00
    Coinsurance: 50%
    Reinsurance cap: $245,000.00

    For plan years 2024, 2025, and 2026, the payment parameters are as follows:
    Attachment point: $35,000.00
    Coinsurance: 50%
    Reinsurance cap: $270,000.00

    The payment parameters for plan year 2027 are currently under review.

    CMS determined that New Jersey's pass-through funding amount was $180,201,687.00 for plan year 2019, $190,004,396.00 for plan year 2020, $282,051,806.00 for plan year 2021, $322,987,495 for plan year 2022, $375,257,388 for plan year 2023, $608,873,232 for plan year 2024, and $554,808,319.00 for plan year 2025. The Department and Board understand that pass-through funding is subject to final administrative determination by the Department of the Treasury prior to payment.

    The funding sources for the reinsurance program for plan years 2019, 2020, 2021, 2022, 2023, 2024, and 2025 are: pass-through funding, monies collected pursuant to P.L. 2018, c.31 which established a State shared responsibility tax, and if necessary the General Fund.

17. Describe any changes in state law or regulation that might impact the waiver and the date(s) these changes occurred or are expected to occur. For each state law or regulation,

please provide its name, reference number, and link to its text.

There are currently no changes in state law or regulation that will or are likely to impact the waiver.

18. Report on spending for the plan year (i.e., PY 2025). If information for the full PY is not available at the time of completing this report, please provide the most complete responses possible and specify the timeframe covered, OR insert a placeholder (e.g., TBD) and specify in the Comments column when the data will be available (e.g., after reinsurance payment calculations are received in [month]). Once final actuals are known, please update the Annual Report.

Metric	Value	Comments (if applicable)
a. Amount of federal pass-through funding spent on individual claim payments to issuers from the reinsurance program for the plan year.	$604,967,242	Balance used to fund the agreed-upon procedures for Plan Year 2024 (spending amounts are for PY 2024).
b. Amount of federal pass-through funding spent on operation of the reinsurance program (e.g., administrative costs, EDGE server fees, etc.) for the plan year.	$73,015	Costs associated with agreed-upon procedures for Plan Year 2024 (paid in Plan Year 2025)(spending amounts are for PY 2024).
c. Amount of any unspent balance of federal pass-through funding for the plan year.	$905,990	Balance will be used against Plan Year 2025.
d. Amount of state funding contributed to fully fund the program for the plan year.	$44,017,136	Spending amounts are for PY 2024 claims.

19. If applicable, provide a claims breakout at an aggregate level for the top five conditions or cost drivers of the five conditions, including settings of care in the individual market.

N/A The New Jersey reinsurance program is not a condition-based program.

20. If applicable, report on any strategies or incentives for providers, enrollees, and plan issuers to continue managing health care cost, claims, and utilization for individuals eligible for reinsurance.

Among the features associated with the management of healthcare costs and claims are benefit design, including cost sharing features, health promotion and wellness, utilization management, managed care programs and anti-fraud programs.

21. If applicable, report any reconciliation of reinsurance payments that the state wishes to make for any duplicative reimbursement through the state reinsurance program for the same high-cost claims reimbursed through the Department of Health and Human Services (HHS)-operated high-cost risk adjustment program.

Metric	Value	Comments (if applicable)
a. Reinsurance payment (before reconciliation) for high- cost claims to issuers who also receive payment through the HHS risk adjustment program under the high-cost risk pool.	N/A	
b. Risk adjustment amount paid by HHS for those claims.	N/A	
c. Reinsurance reconciliation (or true-up) amount applied.	N/A	

E. Post-Award Forum

22. Was the date, time, and location of the Post-Award Forum advertised 30 days in advance?

- (●) Yes
- ( ) No

23. State website address where Post-Award Forum was advertised and where the Annual Report is posted. In addition, please ensure prior years' Annual Reports are posted on the state's website.

    https://www.nj.gov/dobi/division_insurance/section1332/index.html

24. Date Post-Award Forum took place:

    December 9, 2025

25. Summary of Post-Award Forum, held in accordance with §155.1320(c), including all public comments received, number of participants in the forum, and actions taken in response to concerns or comments.

    Annual Public Forum
    The annual public forum was held on December 9, 2025. Notice of the forum, which was held in-person with a dial-in phone option, was posted at least 30 days in advance at https://www.state.nj.us/dobi/division_insurance/section1332/index.html.

    No members of the public attended or dialed in by phone. No action was taken as a result of the Forum.

    No members of the public attended or dialed in by phone. No action was taken as a result of the Forum.

26. Other Attachments (attach other documents as needed pertaining to Post-Award Forum)

    Powerpoint Presentation prepared for the Post-Award forum

F. State Internal Implementation Review – Attestation

27. Attestation: The state attests that periodic implementation reviews related to the implementation of the waiver have been conducted in accordance with 31 CFR 33.120(b) and 45 CFR 155.1320(b).

- (●) Yes
- ( ) No

28. Describe the state's implementation review process.

Implementation review occurs on a weekly basis with the multiple elements evaluated and reported to the applicable operating areas and senior staff. The review encompassed every phase of the implementation and included:
1) Pass-through funding determination
2) Collaboration with Treasury regarding the individual mandate and collection of the tax
3) Collection of quarterly and annual reports and summary reporting
4) Drafting of scope of work and awarding a contract for an audit firm (note the proposals, evaluation and selection occurred in 2020)
5) Weekly status calls with the audit firm during the course of the AUPs
6) Evaluation of payment parameters for the coming plan year, 2027
7) Discussion during open public meetings held by the Individual Health Coverage Program Board