

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201



January 29, 2025

**VIA ELECTRONIC MAIL:** [mhumphreys@pa.gov](mailto:mhumphreys@pa.gov)

Michael Humphreys  
Insurance Commissioner  
Pennsylvania Insurance Department  
1326 Strawberry Square  
Harrisburg, PA 17120

Dear Commissioner Humphreys:

Thank you for your submission on December 30, 2024, of Pennsylvania's waiver extension application for a State Innovation Waiver under section 1332 of the Affordable Care Act (ACA). I am pleased to send this letter from the Center for Consumer Information and Insurance Oversight (CCIIO) within the Centers for Medicare & Medicaid Services (CMS) under the Department of Health and Human Services (HHS), as well as on behalf of the Department of the Treasury (collectively, the Departments).

Pennsylvania's currently approved waiver of the single risk pool requirement contained in ACA section 1312(c)(1)<sup>1</sup> allows the state to implement a state-based reinsurance program for the individual health insurance market from January 1, 2021, through December 31, 2025.<sup>2</sup> Pennsylvania's waiver extension request seeks to continue the waiver of ACA section 1312(c)(1) and implementation of its state-based reinsurance program for an additional five years, specifically for plan years 2026 through 2030. Pennsylvania is not otherwise seeking to make changes to its section 1332 waiver state-based reinsurance program. Should Pennsylvania seek to make changes to its waiver program during the extension period, if approved, the Commonwealth would need to follow the procedures detailed in the terms and conditions in effect at that time.

Consistent with 31 C.F.R. § 33.132 and 45 C.F.R. § 155.1332, the processes and procedures for extension requests,<sup>3</sup> and the next steps outlined in the Departments' November 14, 2023, letter in response to Pennsylvania's waiver extension letter of intent,<sup>4</sup> the Departments have conducted a preliminary review of the waiver extension application. The Departments have made a preliminary determination that Pennsylvania's waiver extension application is complete.

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<sup>1</sup> Pennsylvania's currently approved waiver waives the individual market single risk pool requirement to the extent it would otherwise require excluding total expected state reinsurance payments when establishing the market-wide index rate.

<sup>2</sup> <https://www.cms.gov/marketplace/states/section-1332-state-innovation-waivers>.

<sup>3</sup> See Patient Protection and Affordable Care Act; Updating Payment Parameters and Improving Health Insurance Markets for 2022 and Beyond; Final Rule, 86 FR 53412 at 53483 – 53486 (Sept. 27, 2021).

<sup>4</sup> <https://www.cms.gov/files/document/1332-pa-waiver-extension-loi-response-letter.pdf>.

As provided in the November 14, 2023, letter, and similar to the federal public notice and approval process for new section 1332 waiver applications outlined in 45 C.F.R. § 155.1308(d) and 31 C.F.R. § 33.108(d), the date of this letter marks the beginning of the 30-day federal public notice and comment process and 90-day federal decision-making period for a waiver extension request. Public comments on Pennsylvania's waiver extension application will be accepted by the Departments from January 29, 2025, through February 28, 2025. More information about the federal public notice process and section 1332 waivers generally can be found on the CCIIO section 1332 state innovation waiver website.<sup>5</sup> The decision of the Departments regarding approval or denial of Pennsylvania's waiver extension application will be issued within 90 days of this preliminary determination of completeness in accordance with section 1332(e) of the ACA.

We look forward to working with you on your waiver extension application and will be in touch if we need additional information. Please do not hesitate to contact us if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey Grant", written in a cursive style.

Jeffrey Grant  
Acting Director, Center for Consumer Information and Insurance Oversight

CC: Shelley Leonard, Deputy Tax Legislative Counsel, Tax Policy, U.S. Department of the Treasury  
The Honorable Josh Shapiro, Governor, Commonwealth of Pennsylvania  
Shannen Logue, Deputy Commissioner of Insurance Product Regulation, Pennsylvania Insurance Department

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<sup>5</sup> <https://www.cms.gov/marketplace/states/section-1332-state-innovation-waivers>.