

**FACT SHEET: The State Flexibility to Stabilize the Market Cycle II Grant Program**

The State Flexibility to Stabilize the Market Cycle II Grant Program (“State Flexibility Cycle II Grant”) provides grant funds to 28 States and the District of Columbia to enhance and support the role of States in the implementation of and planning for selected Federal market reforms and consumer protections under Part A of Title XXVII of the Public Health Service Act (PHS Act), including: guaranteed availability of coverage, guaranteed renewability of coverage, and essential health benefits.

These grants help support State Departments of Insurance efforts to make sure their laws, regulations, and procedures are in line with Federal requirements and that States are able to effectively regulate their respective health insurance markets through innovative measures that support the selected Federal market reforms and consumer protections.

**Grant Awards Overview:**

The Centers for Medicare & Medicaid Services (CMS) is awarding approximately \$19.6 million to assist State Departments of Insurance in planning and implementing select Federal insurance market reforms and consumer protections under Part A of Title XXVII of the PHS Act. Grant funds can be used for a variety of planning and implementation objectives related to the selected market reforms and consumer protections, including but not limited to implementing or enhancing policy form review, hiring or contracting with a clinician to review formularies, performing an assessment of the state’s essential health benefits (EHB) benchmark plan, enhancing existing policy filing review processes to ensure health insurance issuers do not include discriminatory benefit designs, developing actuarial and economic analyses, and performing market scans of the respective State’s health insurance market to improve and expand the number of coverage options. The grant has a project and budget period of 24 months from the award date: September 15, 2021 to September 14, 2023. Each applicant awarded a grant was eligible to receive a minimum baseline amount of \$660,000 (see Table 1 for award totals by jurisdiction). In addition to receiving a baseline award, each applicant awarded a grant will also receive “Workload” funds. Workload funds are determined based on the population and number of health insurance issuers in the State. Each applicant that submitted a Letter of Intent (LOI) to apply for the grant was informed of their eligible Workload funds amount after their LOI submission. The Workload funds are awarded at the same time as the baseline funds.

Grants are being awarded to the District of Columbia (DC) and the following States: Alaska (AK), Arkansas (AR), Colorado (CO), Delaware (DE), Georgia (GA), Hawaii (HI), Indiana (IN), Kansas (KS), Massachusetts (MA), Maine (ME), Michigan (MI), Minnesota (MN), Mississippi (MS), North Dakota (ND), Nebraska (NE), New Hampshire (NH), New Jersey (NJ), New Mexico (NM), Nevada (NV), Pennsylvania (PA), Rhode Island (RI), South Dakota (SD), Virginia (VA), Vermont (VT), Washington (WA), Wisconsin (WI), West Virginia (WV), and Wyoming (WY).

**Table 1: State Flexibility to Stabilize the Market Cycle II Grant Awards by State**

	<b>Jurisdiction</b>	<b>Market Reform</b>	<b>Total Award Amount</b>
1	Alaska	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$664,000.00
2	Arkansas	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage	\$676,155.50
3	Colorado	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$685,563.83

4	Delaware	Guaranteed Availability of Coverage, Essential Health Benefits	\$664,381.92
5	District of Columbia	Guaranteed Availability of Coverage, Essential Health Benefits	\$671,456.71
6	Georgia	Guaranteed Availability of Coverage	\$692,463.71
7	Hawaii	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$672,996.92
8	Indiana	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$685,958.55
9	Kansas	Essential Health Benefits	\$675,586.73
10	Massachusetts	Guaranteed Availability of Coverage	\$688,646.88
11	Maine	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$670,373.00
12	Michigan	Guaranteed Availability of Coverage Essential Health Benefits	\$687,744.00
13	Minnesota	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$686,119.67
14	Mississippi	Guaranteed Availability of Coverage, Essential Health Benefits	\$671,142.34
15	North Dakota	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$666,483.12
16	Nebraska	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$671,384.46
17	New Hampshire	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$675,466.00
18	New Jersey	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$685,527.46
19	New Mexico	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$682,092.18
20	Nevada	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$660,000.00
21	Pennsylvania	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$698,584.87
22	Rhode Island	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$666,829.64

23	South Dakota	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$669,329.35
24	Virginia	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$694,156.63
25	Vermont	Guaranteed Availability of Coverage, Essential Health Benefits	\$663,538.00
26	Washington	Guaranteed Availability of Coverage	\$684,447.00
27	West Virginia	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage, Essential Health Benefits	\$671,438.58
28	Wisconsin	Guaranteed Availability of Coverage	\$689,458.16
29	Wyoming	Guaranteed Availability of Coverage, Guaranteed Renewability of Coverage	\$666,261.88
	<b>Total</b>		<b>\$19,637,587.09</b>

**Background on Grant Funding:**

This funding is part of the \$250 million Congress appropriated for Rate Review Grants provided under Section 2794 of the PHS Act to assist States with the health insurance rate review process. Section 2794(c)(2)(B) of the PHS Act specifies that any appropriated Rate Review Grant funds that are not fully obligated by the end of fiscal year 2014 shall remain available to the Secretary of the U.S. Department of Health and Human Services for grants to States for planning and implementing the insurance market reforms and consumer protections under Part A of Title XXVII of the PHS Act. CMS previously used unspent funds from the Rate Review Grants to award Health Insurance Enforcement and Consumer Protections Grants in October 2016 and State Flexibility to Stabilize the Market Cycle I Grants in August 2018. The funds announced today are unspent Rate Review Grant funds that CMS is awarding to provide States with resources to support the establishment of innovative measures that support the pre-selected market reforms and consumer protections under Part A of Title XXVII of the PHS Act to improve their health insurance markets.

For more information on the grant awards, visit: <https://www.cms.gov/CCIIO/Resources/Funding-Opportunities/index.html>