



**Delaware Health
and Social Services**

Office of the Secretary

1901 N. DUPONT HIGHWAY, NEW CASTLE, DE 19720 * TELEPHONE: 302-255-9040 FAX: 302-255-4429

November 2, 2023

The Honorable Xavier Becerra
Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

The Honorable Janet Yellen
Secretary of the Treasury
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Becerra and Secretary Yellen:


The Delaware Department of Health and Social Services (DHSS) is pleased to submit this letter of intent to apply for a five-year extension of the state's Section 1332 State Innovation Waiver, for the period beginning January 1, 2025 and ending December 31, 2029. Aside from extending the timeframe of the waiver, we do not plan to propose any major changes to our waiver in the extension application. The waiver will continue to adhere to the guardrails established by Section 1332.

In 2018, a study was conducted per Senate Concurrent Resolution 70 of the 148th Delaware General Assembly (2017-2018) to assess the potential impact of several different market options, including expanding Medicaid Title XIX to higher incomes, creating a lower cost Exchange-based insurance product, and implementing a state-based reinsurance program. The Department of Health and Human Services (HHS) approved Delaware's 1332 Waiver application on August 20, 2019. The 1332 Waiver approval allowed DHSS to operate a 5-year reinsurance program, which became effective on January 1, 2020. All insurers offering coverage in the Individual ACA market are eligible to participate in the reinsurance program. The goal of the reinsurance program to reduce member premiums in the Individual ACA market relative to if no reinsurance program were in place. For plan year 2021, the estimated impact was 16.0%; for plan year 2022, the estimated impact was 15.0%; for plan year 2023, the estimated impact was 15.0%.; and for plan year 2024 which is 15.0% without morbidity impact and 15.4% when including morbidity impact.

DHSS appreciates the opportunity to extend Delaware's successful reinsurance program for an additional five years, through 2029. The program has reduced premiums for many Delawareans. DHSS intend to submit our extension application in Quarter 1 of 2024.

Thank you in advance for your consideration. We look forward to engaging with HHS and the Department of the Treasury in the coming months.

Sincerely,

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Josette D. Manning, Esq
Cabinet Secretary