



The State of New Hampshire Insurance Department

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Alexander K. Feldvebel
Acting Commissioner

In the Matter of
The Individual Health Insurance Market
in New Hampshire
Docket: INS No. 20-009-AP

ORDER

A. Procedural History and Jurisdiction

Historically, the individual health insurance market has been more vulnerable than group markets to adverse selection and other destabilizing forces. As a result, since 1998, the New Hampshire Legislature has provided regulatory authority to the New Hampshire Insurance Department (“the Department”), pursuant to RSA 404-G (Individual Health Insurance Market), to protect New Hampshire citizens who participate in the individual market by supporting risk sharing mechanisms that (1) equitably distribute excessive risk associated with the individual market and (2) enable insurers “to better protect against the costs of covering high risk individuals.” RSA 404-G:1 (I). To achieve that purpose, the New Hampshire Individual Health Plan Association (“the Health Plan”) was created to facilitate the availability of affordable individual health insurance by establishing (1) an assessment mechanism and (2) a mandatory risk sharing plan to distribute the risks associated within the individual market. See RSA 404-G:1 (II). The Health Plan has implemented several risk sharing mechanisms since 1998 to achieve the purpose set forth in RSA 404-G:1, including a risk subsidy mechanism (1998); a high risk pool (2002); and a federal high risk pool (2013).

In recent years (until 2019), the Medicaid Expansion population purchased insurance in the individual market in New Hampshire. This made it impracticable for the state to pursue a market stabilization program under a 1332 waiver, as federal law does not allow for federal Medicaid funds to be contributed to such a program. This barrier was removed in 2019 when the Medicaid Expansion population was moved out of the individual market and into a Medicaid Managed Care program.

To address current needs within the individual insurance market, during the 2019 New Hampshire legislative session, House Bill 4 was signed into law, which amended RSA 404-G and RSA 420-N (Federal Healthcare Reform) with new provisions within RSA 404-G:12 (Contingency) and RSA 420-N:6-a (Waiver). RSA 404-G:12 authorizes the Insurance Commissioner, if supported by the recommendations of actuarial experts retained by the New Hampshire Insurance Department (“Department”), to request the Board of Directors of the Health

