



June 14, 2019

Matt M. Rosendale, Commissioner  
Office of the Montana State Auditor, Commissioner of Securities and Insurance  
840 Helena Ave, Helena, MT 59601

**Re: NORD Support for Montana's Section 1332 Waiver Application**

Dear Commissioner Rosendale,

On behalf of the 1-in-10 Montana residents with one of the over 7,000 known rare diseases, the National Organization for Rare Disorders (NORD) appreciates the opportunity to submit comments on Montana's 1332 Waiver Application.

NORD is a unique federation of voluntary health organizations dedicated to helping people with rare "orphan" diseases and assisting the organizations that serve them. Since 1983, we have been committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

NORD believes everyone should have quality and affordable healthcare coverage. A strong, robust marketplace is essential for individuals with rare diseases to access the coverage that they need. NORD supports Montana's efforts to strengthen its marketplace by submitting this 1332 State Innovation Waiver to implement a reinsurance program.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.<sup>i</sup> A recent analysis by Avalere of the seven states that have already created their own reinsurance programs through Section 1332 waivers found that these states reduced individual market premiums by an average of 19.9 percent in their first year.<sup>ii</sup>

Montana's proposal will create a reinsurance program starting in the 2020 plan year and continuing for five years. This program is projected to reduce premiums by eight percent and increase the number of individuals obtaining health insurance through the individual market by at least one percent. These benefits would help patients with pre-existing conditions, including patients with rare diseases, obtain affordable, comprehensive coverage.



NORD believes the 1332 State Innovation Waiver will help stabilize the individual market in Montana and protect patients and consumers. Thank you again for the opportunity to provide comments on the state's 1332 waiver application. For further questions, please feel free to contact me at [tboyd@rarediseases.org](mailto:tboyd@rarediseases.org).

Sincerely,

Tim Boyd, MPH  
Director of State Policy

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<sup>i</sup> American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes*. January 2017. Retrieved from [https://www.actuary.org/files/publications/Acad\\_eval\\_indiv\\_mkt\\_011817.pdf](https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf).

<sup>ii</sup> Avalere. *State-Run Reinsurance Programs Reduce ACA Premiums by 19.9% on Average*. March 2019. Retrieved from <https://avalere.com/press-releases/state-run-reinsurance-programs-reduce-aca-premiums-by-19-9-on-average>.