

REINSURANCE AND GEORGIA ACCESS MODEL  
STATE RELIEF AND EMPOWERMENT WAIVER  
(SECTION 1332 WAIVER)  
PUBLIC HEARING

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DATE: Thursday, November 14, 2019

TIME: Commenced at 1:00 p.m.  
Concluded at 1:24 p.m.

LOCATION: Southern Regional Technical College  
2500 East Shotwell Street  
Bainbridge, Georgia

REPORTED BY: LORI DEZELL  
Registered Professional Reporter

LORI DEZELL, CCR, RPR  
5170 Grandview Court  
Tallahassee, Florida 32303

**PROCEEDINGS**

1  
2           **MR. KRULL:** Good afternoon. I'm Matthew  
3 Krull. I'm the Health Policy Counsel with the  
4 Department of Community Health and the Office of  
5 General Counsel.

6           Today is November 14th, 2019. It is now 1:00  
7 p.m. This is the public hearing on the reinsurance  
8 and Georgia Access Section 1332 state relief and  
9 empowerment waiver. This public notice was issued  
10 by Governor Brian Kemp on November 4, 2019. This  
11 notice is incorporated into these proceedings.

12           Pursuant to 31 CFR section 33.112 and 45 CFR  
13 section 155.1312, the State must provide a public  
14 notice and comment period prior to submitting an  
15 application for a new section 1332 waiver.

16           On November 4, 2019, the governor issued a  
17 press release opening the 30-day public comment  
18 period of this notice. The public comment period  
19 will expire on December 3rd, 2019. Individuals  
20 wishing to provide written comments on or before  
21 December 3rd, 2019, may submit comments through an  
22 online web form located at  
23 [Medicaid.Georgia.gov/patientsfirst](https://www.Medicaid.Georgia.gov/patientsfirst), or to the  
24 Office of Governor in care of Ryan Loke, 206  
25 Washington Street, Suite 115, State Capitol,

1 Atlanta, Georgia, 30334. Comment letters must be  
2 postmarked by December 3rd, 2019, to be accepted.  
3 At the conclusion of the comment period, all oral  
4 comments presented today will be transcribed and  
5 included in the final waiver application.

6 At this time I'll ask if anyone needs the  
7 services of a sign language interpreter.

8 You're released.

9 If you wish to make oral comments today,  
10 please make sure you sign in on the appropriate  
11 roster at the front table.

12 At this time I would like to bring up Mr. Ryan  
13 Loke, health policy adviser for Governor Brian  
14 Kemp.

15 **MR. LOKE:** Thank you, Matt. Good afternoon,  
16 everyone. My name is Ryan Loke. I am health  
17 policy adviser and special projects coordinator for  
18 Governor Brian Kemp. I'm here to provide a brief  
19 overview of our Section 1332 waiver application,  
20 reinsurance and Georgia Access.

21 As Matt mentioned earlier, here is the web  
22 link address to provide public comment. This slide  
23 deck, along with the public notice and the formal  
24 waiver application itself, is available on the DCH  
25 website as well as the Governor's Office web page.

1           A little bit of background about the Patients  
2 First Act. The Patients First Act was signed into  
3 law on March, 2019, by Governor Kemp after passing  
4 the General Assembly in the 2018 legislative  
5 session. The Patients First Act will authorize the  
6 governor to submit one or more section 1332 waivers  
7 of the Affordable Care Act to the United States  
8 Department of Health and Human Services and the  
9 United States Treasury. It requires us to submit  
10 one or more of these waivers by December 31st,  
11 2021, and upon actual approval of these waivers  
12 authorizes the states to implement as such.

13           A little bit about 1332 waivers. They've been  
14 in place since 2017. Thirteen states have been  
15 approved for 1332 waivers so far, 12 of which have  
16 been for state-based reinsurance programs which is  
17 a portion of our waiver application that I'll  
18 discuss later this afternoon.

19           Under the ACA statute, 1332 waivers are  
20 authorized for states to pursue innovative  
21 strategies to provide access to high quality  
22 affordable health insurance.

23           When evaluating these waivers, the  
24 United States Department of Health and Human  
25 Services and the United States Treasury has to

1 evaluate our waiver application against the four  
2 statutory guardrails listed on the screen up there.  
3 Those are comprehensiveness, affordability,  
4 coverage, and deficit neutrality.

5 In our application, we have to show that our  
6 waiver will provide coverage that's at least as  
7 comprehensive as provided absent the waiver,  
8 provide caution and protections against excessive  
9 out-of-pocket spending at least as affordable  
10 absent the waiver, offer healthcare customer to a  
11 comparable number of residents absent the waiver,  
12 and most importantly in the federal government's  
13 eyes, cannot increase the federal deficit.

14 A little bit about how we got to where we are  
15 today. In June of this year, the State brought on  
16 Deloitte Consulting to partner with us for the  
17 waiver development process, and shortly thereafter  
18 we released a Georgia environmental scan and a  
19 national environmental scan looking at both section  
20 1115 waivers across the country that my colleague  
21 Blake mentioned this morning at our 9:00 a.m.  
22 public hearing and also section 1332 waivers that  
23 had been proposed and approved across the country.  
24 And both of those are posted on the DCH website  
25 presently. They're about 150 pages long and are

1 the first real look at Georgia's health care system  
2 and health data that the state had access to in  
3 quite some time, and I encourage you to read those  
4 if you haven't already.

5 Following that process -- or following release  
6 of those documents, rather, we convened the  
7 stakeholder group of about 55 stakeholders from  
8 provider organizations, members of the general  
9 assembly, and various constituencies to bring them  
10 together in one room to help us -- help us and our  
11 team think through both under section 1115  
12 authority and section 1332 how we can move the  
13 needle on affordability, accessibility, and quality  
14 in Georgia's healthcare system through both of  
15 these waiver authorities.

16 We've taken that feedback and compiled it and  
17 over the course of the last several months have  
18 been working internally with our team to craft a  
19 series of options that were presented and  
20 ultimately approved by the Governor for public  
21 comment that went out on November 4th, which was  
22 Monday of last week.

23 At this time we're in the midst of a required  
24 30-day public comment period. This is our third  
25 public comment period. We will hold three more

1           hearings across the state next week and we will  
2           accept written, oral, and mail-in comments until  
3           December 3rd of this year, after which time we  
4           anticipate submitting the section 1332 waiver  
5           application and the section 1115 application by the  
6           end of calendar year.

7           A little bit about our specific waiver  
8           application. You can see the goals listed on the  
9           screen. I'll touch on a couple of these. But our  
10          overall goal here is to improve accessibility and  
11          affordability of individual healthcare coverage in  
12          Georgia with strategies to address the following:  
13          Reduce premiums; incentivize carriers to offer more  
14          plans in more counties across the state; foster  
15          innovation to provide better access to healthcare  
16          coverage; expand choice and affordability of  
17          options for consumers; attract currently uninsured  
18          individuals to participate in the market; maintain  
19          access to the Affordable Care Act's Qualified  
20          Health Plans and Catastrophic Plans; and then  
21          maintain protections for individuals with  
22          pre-existing conditions.

23          Pre-existing conditions protections are not a  
24          waivable provision of the Affordable Care Act and  
25          the State is not seeking to waive that provision

1 within our waiver application, and that's spelled  
2 out several times throughout our waiver application  
3 itself.

4 Our waiver design is unique in that it's a  
5 two-phase approach that no state has ever tested  
6 before. The first phase will begin in plan year  
7 2021 which is a state-based reinsurance program  
8 similar to what other states have already received  
9 approval for under section 1332 authority. And  
10 then our second piece, Georgia Access, will take  
11 place, or is slated to take place in plan year 2022  
12 which will move the state away from  
13 healthcare.gov, the federally-facilitated exchange,  
14 and allow for a network of web-brokers, insurance  
15 carriers to be the individual coverage enrollment  
16 portals in this state.

17 I'll talk a little bit about both of these.  
18 First to address the reinsurance component. Again,  
19 12 other states have already gotten approved under  
20 section 1332 authority for a state-based  
21 reinsurance program. Where Georgia is similar to  
22 these other states is that we are looking at a  
23 model similar to what Colorado has just been  
24 approved for and that we are going to tier out our  
25 reinsurance program and vary our co-insurance rates

1 by insurance rating regions rather than apply a  
2 standard formula across the state. And by doing  
3 that you're targeting high-cost rating regions like  
4 the region we're in presently, northeast and  
5 northwest Georgia, where you have average premiums  
6 upwards of \$1,100 per month.

7 You can see the parameters that we've  
8 identified up there with an attachment point  
9 beginning at \$20,000 of claims, and then a cap  
10 being of \$500,000, and a tiered co-insurance rate  
11 by those three regions between 50 -- 15, rather,  
12 and 80 percent.

13 We intend to, like I said, apply a higher  
14 co-insurance rate in areas across the state that do  
15 have higher cost monthly premiums in order to  
16 achieve a targeted 10 percent reduction in year one  
17 premiums across the state. And the actual range  
18 will be from about 5 percent to upwards of  
19 25 percent in those high-cost areas I discussed  
20 earlier. And you can view the exact numbers and  
21 data figures within the waiver application itself.

22 Moving on to the Georgia Access model moving  
23 the State away from the FFE healthcare.gov, this is  
24 slated to begin in plan year 2022. The State will  
25 maintain several critical operations in terms of

1 administering this new program. The State will be  
2 responsible for certifying plans that are eligible  
3 for subsidies, both the existing ACA calls like  
4 health plans and then determining eligible  
5 nonqualified health plans. And those may be plans  
6 that offer less than the total required essential  
7 health benefits under the Affordable Care Act. In  
8 order to be eligible for a subsidy, plans must not  
9 exclude your preexisting conditions and cannot  
10 medically underwrite, and that's written out of the  
11 waiver application itself.

12 The State will also be responsible for  
13 calculating eligibility for subsidies. Presently  
14 if you are an individual from 100 percent of  
15 poverty to 400 percent of poverty, you are eligible  
16 for a subsidy under the Affordable Care Act that  
17 will be still in place under our waiver  
18 application. However, the State will have control  
19 of the subsidy and the subsidy structure. In the  
20 first year of this program, we are intending to  
21 keep the existing federal government subsidy  
22 structure in place, then would reserve the right in  
23 future years with the federal government's consent  
24 across those four guardrails I talked about earlier  
25 to adjust that subsidy structure as needed.

1           The State will also be the issuer of the  
2           subsidies to plans on behalf of the individual,  
3           like healthcare.gov and the plans that are enacted  
4           today. And then we will providing oversight  
5           compliance on Access as well.

6           We intend to rely heavily on the private  
7           sector through a network of web-brokers, insurance  
8           carriers to provide the critical front-end  
9           operations for enrolled individuals seeking  
10          individual market coverage in the state. For  
11          consumers, the web-brokers and the carriers will be  
12          the areas where consumers shop, compare and  
13          purchase plans just in a -- in a unique format, and  
14          they will be able to see all of the options  
15          available to them under our web-broker format. And  
16          then also the private sector the web-broker, the  
17          carriers should be responsible for education,  
18          outreach, and customer service.

19          A little bit about what stays the same and why  
20          Georgia is moving away from healthcare.gov to this  
21          model. Again, as I discussed earlier, access to  
22          the current ACA qualified health plans and  
23          high-deductible health plan options will still be  
24          present under this model. Again, protections for  
25          individuals with pre-existing conditions.

1           And then finally the subsidy structure will be  
2           the same in plan year 2022, the first year, if this  
3           program is approved.

4           A couple of the benefits that we've identified  
5           are first and foremost the ability for consumers to  
6           view all of the plan options that are available to  
7           them in a given area rather than having to go to  
8           healthcare.gov to see a qualified health plan and  
9           then go to various other brokerage or websites to  
10          see all of the other options for insurance coverage  
11          to them. You'll be able to see all the options in  
12          one place, in one unique shopping experience.

13          We are also allowing for the ability for  
14          carriers to sell direct to consumer, and rather  
15          than have individuals go through a shoplifting  
16          experience like they do presently on  
17          healthcare.gov, if they know they like their health  
18          care plan and insurance carrier, they can go  
19          directly to that carrier's website and enroll  
20          directly.

21          It expands consumer choice of affordable  
22          options with the eligible nonqualified health plans  
23          that I discussed earlier. Again, those are those  
24          that may offer less than the total required  
25          essential health benefits under the ACA but do not

1 exclude for preexisting conditions and cannot  
2 medically underwrite.

3 And then it also provides the State  
4 flexibility to adjust the program for future years  
5 as needed to meet the needs of Georgians rather  
6 than being boxed into a federal government plan  
7 under the ACA like we presently are.

8 At this time I'll turn it back to Mr. Krull  
9 for public comment.

10 **MR. KRULL:** Thank you, Ryan. At this time  
11 I'll go down the roster and give each person who  
12 has signed in an opportunity to speak. Please  
13 limit your comments to ten minutes and keep your  
14 comments limited to the issues that directly relate  
15 to the proposed public notice.

16 At the end of your ten minutes, if you have  
17 not concluded your presentation I may ask for a  
18 brief closing statement. And you'll also be able  
19 to submit the remaining comments in writing.

20 With that said, I will call the first person  
21 who has signed up to speak, and we will -- we have  
22 one microphone, so Lavinia will bring the  
23 microphone to you and you can remain where you are.  
24 Joyce Barlow. Thank you, Ms. Barlow, for coming  
25 today.

1           **MS. BARLOW:** Good afternoon. I am Joyce  
2 Barlow, I live at 1020 Tallahassee Road, Albany,  
3 Georgia, and I came down to make sure that I made a  
4 testimony in person as well as will submit online.

5           This is sent to whomever it may concern,  
6 today --

7           **MR. KRULL:** Ms. Barlow, could you raise the  
8 microphone?

9           **MS. BARLOW:** Is that better?

10          **MR. KRULL:** She's taking the testimony down.

11          **MS. BARLOW:** I'm sorry. Is that better?  
12 Okay. I'll speak a little louder then.

13           This letter and my testimony is in opposition  
14 of waiver 1115 and 1332. I'm requesting Governor  
15 Kemp to expand Medicaid and allow Georgians to  
16 receive the insurance coverage that is mandated for  
17 treatment which will greatly aide our rural  
18 hospitals and providers.

19           The new proposed Medicaid 1115 and 1332 does  
20 not even come close to providing the level of  
21 healthcare coverage that expanded Medicaid would  
22 cover. This proposed plan will not work for  
23 Georgia's families, their children, and the persons  
24 intended to be served. Last year the decision to  
25 not provide Medicaid expansion to over 300,000

1 Georgians has brought us to the point of this now  
2 patch-up job.

3 Georgia is in the middle of a healthcare  
4 crisis. I travel in the counties, in the rural  
5 counties where they don't have a hospital and some  
6 do not even have a physician. After years and  
7 millions of dollars spent on study committees,  
8 research and more, the State is set out to spend  
9 more money to cover only a fraction, a tiny  
10 fraction of those who would be able to assess  
11 healthcare under traditional Medicaid expansion.

12 By the estimate from the Governor's office,  
13 the best case scenario only covers about 50,000 of  
14 nearly a half a million Georgians eligible for  
15 Medicaid under this waiver that will be eligible to  
16 enroll. Meanwhile, the plan would cost the state  
17 more money than fully expanding Medicaid to the  
18 400,000-plus Georgians.

19 Meanwhile, the private insurance company will  
20 roll back critical protections created under the  
21 Affordable Care Act. Now insurers do not need  
22 to -- now insurers do not need to cover essential  
23 services, like mental healthcare, maternal child  
24 care. The state is leaving healthcare.gov so  
25 consumers will have to face private brokers rather

1 than unbiased resources to purchase coverage.

2 A report done by the Mercer School of  
3 Medicine, Center for Rural Health and Disparity  
4 noted by Dr. Joseph C. Warren states that already,  
5 maternal death rates have more than doubled in the  
6 United States since 1987. The United States is  
7 currently number 46 in the world for maternal  
8 deaths. Georgia is number 50 in the nation for  
9 maternal deaths. Yes, that's right. Georgia is  
10 number 50. We are at the bottom of the list, and  
11 we are proposing to deal with insurance carriers  
12 and a new waiver that would allow insurance  
13 companies to remove maternal care.

14 In the rural areas that I travel and I serve  
15 and I see the need for maternal child care, and the  
16 maternal death rate is steadily increasing. And as  
17 for mental health, when most states are preparing  
18 to cover more mental health care, we are now  
19 proposing to eliminate mental health coverage via  
20 these insurance carriers and these new waivers.  
21 Mental health coverage is needed now more than ever  
22 as we have witnessed an increase in crime  
23 especially with weapons that take the lives of  
24 innocent people.

25 We should allow adults with income below the

1 poverty line, between 12,000 a year for an  
2 individual and 26,000 for a family of four, to  
3 enroll in Medicaid which requires -- this new  
4 program would require people to complete paperwork  
5 every month about their work hours, school, and any  
6 volunteer hours. If they don't file the paperwork,  
7 they will be kicked off of coverage. Monthly  
8 requalification is burdensome upon the applicant  
9 and the state worker reviewing the documents. This  
10 process should be extended.

11 This 1115 and 1332 plan also requires people  
12 to pay premiums to the State. If they fail to pay  
13 the premiums for three months, they are kicked off  
14 of coverage. Also, what about any pre-existing  
15 medical condition? Therefore, premiums would be  
16 costly, therefore would do little to help the  
17 person in need of medical insurance as this would  
18 become cost prohibitive.

19 So what is the message that is conveyed here?  
20 Instead of taking the best deal available,  
21 expanding Medicaid to cover our low income  
22 Georgians, Georgia leaders are now leaving money on  
23 the table and pursuing a complicated plan that  
24 makes it hard for low income Georgians to get  
25 covered and stay covered.

1           The most realistic and sensible approach is to  
2 just plain expand Medicaid and provide insurance  
3 coverage to the over 400,000 Georgians without  
4 coverage. This is compared to about 213 million to  
5 fully expand Medicaid coverage. These two waivers  
6 will cost the state about 215 million and will only  
7 cover roughly 80,000 people.

8           So fully consider what these waivers will do.  
9 They will leave people paying higher insurance  
10 premiums to our poorest Georgians or health  
11 coverage by shifting people to skimpier plans and  
12 capping the availability of premium subsidies many  
13 Georgians needs to afford their private health  
14 coverage. Thank you.

15           **MR. KRULL:** Thank you. Thank you, Ms. Barlow,  
16 for your comments.

17           Next up is Daniel Fleuren. If you'll come up,  
18 sir. Thank you for coming today for your comments.

19           **MR. FLEUREN:** Absolutely. Thank you all for  
20 having me.

21           My name is Daniel Fleuren. I'm a recovery  
22 coach with Aspire Behavioral Health. I have been  
23 asked, and it is a great honor, the Georgia Council  
24 of Substance Abuse has asked me to come down and  
25 make a few points on their behalf.

1           While I'm not an employee of Georgia Council  
2           on Substance Abuse, I know that my -- my employment  
3           today is a direct result of their advocacy at the  
4           State Capitol and all across the State of Georgia.

5           So the Georgia Council on Substance Abuse  
6           would like to congratulate Governor Kemp,  
7           Lieutenant Governor Duncan, Speaker Ross and the  
8           leadership of the Georgia General Assembly on  
9           Georgia Access. This important step in the ongoing  
10          process to provide effective and affordable  
11          coverage to people in Georgia demonstrates the need  
12          of our state leadership to address this complicated  
13          issue.

14          For far too long, too many Georgians have not  
15          had access to safe and effective insurance, and for  
16          far too long funding has been a barrier for those  
17          who needed quality access. While there's still  
18          more to do, we're excited to help contribute to  
19          this step in this process.

20          We do expect Georgia Access to enhance and not  
21          impede the ability of the Georgia recovery  
22          community to utilize services available. We look  
23          forward to ensuring that job requirements,  
24          transportation, reporting, and other aspects of  
25          Georgia Access have zero unintentional consequences

1 which negatively impact the Georgia recovery  
2 community.

3 As Georgia Access moves forward, the council  
4 will do our level best to make certain that the  
5 details of Georgia Access match the strong-stated  
6 support for a comprehensive approach for those  
7 suffering from addiction and problem alcohol and  
8 drug use, including prevention, treatment, and  
9 recovery support. These are the three legs of the  
10 SUB issue that are essential to helping  
11 communities.

12 The Georgia Council on Substance Abuse looks  
13 forward to partnering with Georgia -- with Governor  
14 Kemp and our state leadership as they continue to  
15 perfect the process and ensure those who suffer  
16 from substance abuse disorders have safe,  
17 effective, and affordable access and funding for  
18 the quality insurance coverage they deserve and  
19 need.

20 And on a more personal note, as a person in  
21 long-term recovery, it is vital that we have these  
22 coverages for people in recovery. I cannot think  
23 of a single issue that is more beneficial and  
24 widespread than helping those who are addicted.

25 Just my personal story. I am now employed by

1 the State of Georgia. I now pay taxes. I am a  
2 registered voter. I am now a lienholder on a brand  
3 new vehicle. So the impact that my recovery has  
4 had on my community is widespread. And having the  
5 insurance coverage needed for those people who are  
6 trying to get in recovery and stay in recovery is  
7 far reaching. Far reaching. It goes outside of  
8 just what -- the insurance. It goes to all the  
9 different aspects that people in recovery can  
10 impact the state. Thank you.

11 **MR. KRULL:** Thank you. Thank you for your  
12 comments today. We appreciate you being here.

13 At this time is there anyone else who would  
14 like to speak or make testimony in the public  
15 hearing?

16 All right. We'd like to thank each of you for  
17 coming today to provide oral comments. Let me  
18 reiterate that the public comment period for the  
19 proposed changes will expire on December 3rd, 2019.

20 As I indicated earlier, written comments will  
21 be entered into the official record as well as the  
22 transcription of the oral comments that we have  
23 heard this afternoon. Thank you once again for  
24 your attendance.

25 There being no further person who wishes to

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make comment, this public hearing is adjourned at  
1:24 p.m.

(Hearing concluded.)

\* \* \*