

# Georgia Section 1332 Draft Waiver



## Virtual Public Hearing

July 13, 2020

10:00 AM

# Today's 1332 Waiver Public Hearing

1. Brief overview on the background and modifications to the waiver
2. Open for in-person public comments (sign in sheet)
3. Open for webex public comments (click the hand icon next to your name)
4. You may also submit comments online or via mail **through July 23, 2020:**

Online: <https://medicaid.georgia.gov/patientsfirst>

Mail to: Ryan Loke  
c/o The Office of the Governor  
206 Washington Street  
Suite 115, State Capitol  
Atlanta, Georgia 30334





# Background Information

# Patients First Act

## Background

- Signed **March 27, 2019**
- Grants the Governor authority to submit one or more Section 1332 innovation waivers to the Departments of Health and Human Services (HHS) and Treasury

## Key Points

- 1332 waiver(s) must be submitted on or before **December 31, 2021**
- Upon approval of one or more 1332 waivers, **authorizes the state to implement**



Source: Georgia General Assembly 2019-2020 [SB 106](#)

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# Purpose of 1332 Waivers

## Background:

- States may waive parts of the Affordable Care Act (ACA) to **pursue innovative strategies** to provide **access to high-quality, affordable health insurance**

## Statutory Guardrails:

1. **Comprehensiveness**: Provide coverage at least as comprehensive as provided absent the waiver
2. **Affordability**: Provide cost-sharing protections against excessive out of pocket spending at least as affordable as absent the waiver
3. **Coverage**: Offer healthcare coverage to a comparable number of residents as absent the waiver
4. **Deficit Neutrality**: Must not increase the federal deficit

Source: Information from CCIO [Section 1332: State Innovation Waivers](#), Kaiser Family Foundation [Tracking Section 1332 Waivers](#), CMS and Treasury [Guidance October 2018](#)



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# Waiver Development Process

## 1. Completed Environmental Scan

- Conducted review of state and national healthcare trends
- Convened Georgia stakeholders from across the healthcare landscape

## 2. Developed and Modeled Potential Waiver Options

- Established goals and identified potential waiver options
- Developed actuarial models to assess financial and economic impact

## 3. Drafted and Submitted Waiver Application

- Drafted waiver and released for public comment on November 4, 2019
- Submitted waiver application to HHS and Treasury on December 23, 2019

## 4. Modified Waiver Application

- Drafted modifications to waiver based on recent changes in the state and national landscape
- Released modified waiver for second public comment period on July 9, 2020



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# **Draft Section 1332 Waiver Application**

# Goals of Georgia's 1332 Waiver

Improve access and affordability of individual healthcare coverage in Georgia with strategies to:

- **Reduce premiums**, particularly in high-cost regions
- **Incentivize carriers to offer plans** in more counties across the State
- **Foster innovation** to provide better access to healthcare coverage
- **Expand choice** and **affordability** of options for consumers
- **Attract uninsured individuals** into the market
- **Maintain access** to metal level Qualified Health Plans (QHPs) and Catastrophic Plans
- **Maintain protections** for individuals with pre-existing conditions



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# 1332 Waiver Design

## Key Features of the Program



Implement a **reinsurance program** to help stabilize the individual market by **reducing premiums** and attracting and retaining carriers



**Transition Georgia's individual market** from the Federally Facilitated Exchange **to the Georgia Access Model** to improve access, choice, and affordability for consumers

**Reinsurance and Georgia Access Begin in 2022**



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# Changes From Initial Waiver Application

## Reinsurance Program

- The implementation of the Reinsurance Program has been shifted to **PY 2022** alongside Georgia Access

## Georgia Access Model

- The State **is not seeking authority to certify and offer subsidies for Eligible non-QHPs**
- The State **is not seeking authority to issue state subsidies**
  - The State will send **enrollment and subsidy eligibility** information to the **U.S. Department of the Treasury**
  - Treasury will continue to issue **Advanced Premium Tax Credits (APTCs) and Premium Tax Credits (PTCs)**, as it does today which are only available for QHPs



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# Reinsurance Program Overview

## Elements of the Reinsurance Program

- **Claims-based reinsurance model**, projected parameters for 2022:
  - Attachment Point: \$20,000
  - Cap: \$500,000
  - Tiered Coinsurance Rate: 15%, 45%, 80%
- **Higher coinsurance rates** applied to **high-cost regions** of the state
- Target **10% reduction** in average premiums statewide



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# Georgia Access Model Overview

## Front-End Operations (Private Sector Entities)

- **Consumers shop, compare, and purchase plans** through a network of private sector entities (web-brokers or carriers)
- Private sector leverages mechanisms and incentives in the commercial market to provide **education, outreach, and customer service**

## Back-End Operations (State)

- Calculates **eligibility for federal subsidies**
- Sends enrollment and eligibility information to Treasury Department

## Back-End Operations (Federal)

- **Issues APTCs** for QHPs to plans on behalf of individuals and **reconciles PTCs** for individual during tax-filing



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# Georgia Access Model Benefits

## Benefits of Georgia Access

- Maintains access to **current QHP and Catastrophic Plan** options
- **Provides consumers with the ability to view all plans** available to them which are licensed and in good standing with the state via web-broker platforms
- Allows consumers to **enroll/re-enroll directly with carriers**
- **Provides for greater accuracy in projecting consumers' subsidy eligibility** by leveraging more updated income verification sources
- **Streamlines referrals** to and from Medicaid



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# Open for Comment

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# Virtual public comments – Step 1

Cisco Webex Events | Hide menu bar ^

File Edit View Communicate Participant Event Help

Connected

Kiana Jackson (Host)

If you would like to make an oral comment during today's virtual public hearing, please click here to open the participant panel to access the raise hand feature.

KJ

Participant panel icons: Mute, Video, Raise Hand, Chat, More, End Meeting

Windows taskbar: Type here to search, 10:10 AM 7/10/2020, 25



# Virtual public comments – Step 2

The screenshot displays the Cisco Webex Events interface. At the top, the title bar reads "Cisco Webex Events" and "Hide menu bar ^". Below this is a menu bar with "File", "Edit", "View", "Communicate", "Participant", "Event", and "Help". The main content area shows a large circular placeholder with the initials "KJ". To the right, a "Participants" sidebar is visible, listing "Kiana Jacks... Host" and "Matthew Krull". A yellow text box with a red arrow pointing to the "Raise Hand" icon in the bottom right corner contains the following text:

To be called on to make an oral comment today, please click on the raise hand button. Once your hand is raised, please wait for the moderator to call your name. Your microphone will be unmuted at that time and you be able to give your comments.

At the bottom of the interface, there is a "Q&A" section and a Windows taskbar with the search bar, taskbar icons, and system tray showing the time as 10:02 AM on 7/10/2020.

