

American Academy of Pediatrics



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December 3, 2019

Mr. Ryan Loke
Office of the Governor
206 Washington Street, Ste. 115
State Capitol
Atlanta, Georgia 30334

Dear Mr. Loke:

The Georgia Chapter of the American Academy of Pediatrics (Georgia AAP) is the professional association representing pediatricians and pediatric subspecialists from across the state dedicated to the health, safety and well-being of all Georgia infants, children, adolescents and young adults. Thank you for the opportunity to provide comments on the state's proposed Section 1332 Waiver Application.

As pediatricians, we know the importance of access to affordable, high-quality health insurance, both for children and their parents and caregivers. Meaningful health insurance coverage means preventive screenings and services that catch and treat disease earlier, before it becomes more acute, harmful, and costly to treat. It also means covering all benefits children are found to need, including those recommended by the AAP in its *Scope of Health Care Benefits for Children From Birth Through Age 26* policy statement. Good health insurance is also critically important for parents, caregivers, and ultimately all adults, as a healthy child starts with a healthy family.

We applaud the first phase of the state's Section 1332 proposal, which seeks to implement reinsurance to drive down the cost of health insurance premiums for Georgia families. Experience from other states would suggest that reinsurance can be a successful method of achieving premium savings while protecting higher-risk individuals and stabilizing insurance markets.

In the proposed waiver's second phase, the Georgia Access Model, however, we do have some concerns that we'd like to share. The changes contemplated by this phase of the waiver could have significant negative effects on the health of our state and also threaten the insurance coverage of many Georgia families.

While we understand under the proposal that Georgia will continue to *offer* qualified health plans (QHPs) with all Affordable Care Act (ACA) protections, we are concerned that the state would also certify "non-QHPs" under this waiver provision. Such plans are unlikely to offer the currently required essential health benefit (EHB) treatments and services. In fact, entire categories of benefits could be omitted in such plans. Our concern is that families may unknowingly purchase one of these non-QHP plans, only to discover later that much-needed prescription drugs, mental health, or maternity care, as examples, are completely omitted from coverage when such services are critically needed. And while we note that the state will maintain protections for people with preexisting conditions, if the non-QHP's do not offer benefits needed to treat a preexisting condition, such coverage would be meaningless. Also, it is unclear that non-QHP plans would be required to meet other federal consumer protections, such as network adequacy requirements, and others. We would suggest this be made explicit, hopefully in the affirmative.

Secondly, proposed changes to premium assistance—and a state cap on such assistance—could undermine affordability and leave Georgians without coverage altogether. Federal law currently provides advanced premium tax credits for those between 100%-400% of the federal poverty level (FPL). This is to help families and individuals buy QHPs on the marketplace. The model in the proposal indicates it will maintain this assistance for the first year of the plan, but in future years the state will retain the discretion to restructure this assistance. Under this scenario, the state could offer less comprehensive premium assistance altogether, or reconstruct such assistance to incentivize Georgians toward less comprehensive coverage, such as the non-QHPs envisioned in this proposal.

Moreover, by our reading, the proposal is seeking to cap this assistance altogether, which would leave those who fall into the 100%-400% FPL income bracket after the cap is reached without premium assistance at all. While these individuals could still enroll in coverage, they would receive no assistance to do so, which may make coverage unaffordable. We believe turning existing premium assistance with no cap into a statewide premium assistance block grant is unnecessary to accomplish the waivers' goals. It also threatens the affordability of coverage for Georgians who purchase insurance directly.

Taken together, our concern is that non-QHPs and reconfigured premium assistance will lead to more expensive comprehensive coverage, potentially making it unaffordable. Healthier, younger individuals are more likely to find less costly, less comprehensive coverage more appealing. Should younger, healthier individuals move away from robust plans toward such coverage, it will drive up the cost of comprehensive coverage. Coupled together with reconfigured premium assistance and a cap on this assistance altogether, such comprehensive coverage may thus simply become unaffordable for those who need it most. We would recommend that the state take steps to expand access to affordable, comprehensive coverage for all Georgians, and refrain from actions that would segment the market, potentially incentivize low-value coverage and cap premium assistance altogether.

Finally, in our view, moving administration away from a centralized marketplace toward commercial brokers and insurers has the strong potential of leaving families at risk. Reason: more than 480,000 Georgians, including almost 40,000 children and youth under the age of 18, currently obtain health coverage through the federal marketplace, healthcare.gov. Transitioning away from a central marketplace to a decentralized system where the state assumes eligibility determinations, and enrollment is administered by commercial brokers and insurers could lead to confusion. This transition could cause considerable confusion for families who are familiar with the current marketplace. For example, not only might families inadvertently miss completing a coverage sign-up, those that do may unknowingly select non-QHP plans or not understand changes to their premium assistance. We believe it is the intent of the state to provide more open and easier access to health insurance however this change could likely have the unintended consequence of causing confusion and make it more difficult for Georgia families.

Thank you for the opportunity to provide comments. We appreciate the state taking into consideration our thoughts and concerns as the state contemplates finalization of the waiver proposal.

Sincerely,

A handwritten signature in black ink that reads "Terri McFadden MD". The signature is written in a cursive, flowing style.

Terri McFadden, MD, FAAP
President