

Georgia Section 1332 Draft Waiver




Bainbridge Public Hearing

November 14, 2019

1:00 PM

Today's 1332 Waiver Public Hearing

1. Brief overview on the background and waiver design
2. Open to public comments  ***Sign-up sheet***
3. Submit comments online through December 3, 2019 at:

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

4. Mail comments by December 3, 2019 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**



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



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 Waivers

- Drafted waivers and released for public comment November 4, 2019
- Consulted with the Centers for Medicare & Medicaid Services (CMS)
- Holding six public hearings across the state
- Accepting public comments online or by mail until December 3, 2019





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



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 begins 2021 and Georgia Access in 2022



Reinsurance Overview and Benefits

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



Georgia Access Model Overview

Front-End Operations (Private Sector)

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

Back-End Operations (the State)

- **Certifies plans** eligible for subsidies (QHPs and Eligible Non-QHPs)
- Calculates **eligibility for subsidies**
- **Issues subsidies** to plans on behalf of individuals
- Provides **program oversight** and compliance



Georgia Access Model Benefits

What Stays the Same?

- Access to **current QHP and High-Deductible Plan** options
- **Protections** for individuals with pre-existing conditions
- **Subsidies** to support affordability (mirrors federal structure for 2022)

Benefits of Georgia Access

- **Ability for consumers to view all plans** available to them which are licensed and in good standing with the state via web-broker platforms
- Ability for consumers to **enroll/re-enroll directly with carriers**
- **Expands consumer choice** of affordable options with Eligible non-QHPs
- **Provides flexibility** for the State to adjust the program structure **to best meet the needs of Georgians**



Open for Comment

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