

# Georgia Section 1332 Draft Waiver




## Gainesville Public Hearing

November 18, 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

You may also submit comments through Dec. 3, 2019 **online:**

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Or by **mail** to:

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