STATE OF GEORGIA
OFFICE OF THE GOVERNOR
ATLANTA 30334-0090

Brian P. Kemp
GOVERNOR

December 23, 2019

The Honorable Alex M. Azar II, Secretary
U.S. Department of Health and Human Services

The Honorable Steven T. Mnuchin, Secretary
U.S. Department of the Treasury

Ms. Seema Verma, Administrator
Centers for Medicare & Medicaid Services

Dear Secretary Azar, Secretary Mnuchin, and Administrator Verma:

The State of Georgia is pleased to submit to the U.S. Department of Health and Human Services (DHHS) the enclosed State Relief and Empowerment Section 1332 Waiver. The Georgia General Assembly authorized this waiver application with the passage of the Patients First Act, which I signed into law on March 27, 2019.

Since the implementation of the Patient Protection and Affordable Care Act (PPACA), Georgia's individual market has experienced a myriad of challenges including drastic premium increases, low carrier participation in several counties across the state, and declining enrollment. In addition, Georgia has one of the highest uninsured rates in the country.

The challenges present within Georgia's individual market are complex and cannot be solved by a single solution. As such, I am submitting a two-phased application that crafts a program unique to Georgia to address the growing healthcare access and affordability challenges facing many residents across the State. The goals of the Section 1332 Waiver application are to reduce premiums, increase carrier participation, enhance coverage, promote a more competitive private insurance marketplace, and improve the consumer experience.

In Phase I of this application, Georgia is requesting to waive Section 1312(c)(1) of the PPACA for a period of five years starting in Plan Year 2021 to implement a state reinsurance program. In Phase II, Georgia is requesting to waive Sections 1301(a), 1311, 1402 of the PPACA and Section 36B of the Internal Revenue Code (IRC) for a period of four years starting in Plan Year 2022 to

transition the State's individual market from the Federally Facilitated Exchange to the new Georgia Access Model.

As demonstrated in the comprehensive analysis attached in this application, Georgia's application adheres to the statutory guardrails established by Section 1332, as well as additional principles laid out in guidance from the Centers for Medicare & Medicaid Services for both Phase I and Phase II of the application.

I request that the Departments consider review and approval of each of the phases of this waiver application separately. Due to the relatively standard nature of reinsurance in Phase I, and our proposed implementation timeline, we would appreciate that the review and approval of the Phase I be accelerated. This is an urgent matter as the Office of Insurance and Safety Fire Commissioner will begin reviewing health insurer's individual market rates for Plan Year 2021 in the spring of 2020. Moreover, we expect to continue to the collaborative partnership that we have enjoyed with your teams as we continue to work through the technical aspects of Georgia Access in Phase II.

Through the passage of the Patients First Act, Georgia has sought to address challenges for hardworking Georgians accessing and affording their health care. Our proposals – both this Section 1332 application and our Section 1115 demonstration application, Georgia Pathways -- seek to create a market where Georgians can have access to affordable, quality healthcare close to home. Through the Administration's leadership, states have been afforded the opportunity to craft innovative solutions to state specific challenges, and our applications represent a first-step state-led innovative approach.

Thank you for your consideration.

Sincerely,

Brian P. Kemp
Governor

Ryan Loke
Special Projects, Office of the Governor

cc:
Mr. Randy Pate, Deputy Administrator & Director, CCIIO
Gen. John F. King, Commissioner, Georgia Department of Insurance
Ms. Shantrina Roberts, Associate Regional Administrator, CMS Atlanta Regional Office

Georgia Section 1332 State Empowerment and Relief Waiver Application

December 23, 2019

The Office of the Governor

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Executive Summary

The State of Georgia submits this State Relief and Empowerment Waiver (Section 1332 Waiver) application to the Department of the Treasury and the Centers for Medicare & Medicaid Services (CMS) in the Department of Health and Human Services (HHS) seeking approval to implement a two-phased approach to address the growing healthcare access and affordability challenges facing many residents across the State. The first phase seeks to implement a reinsurance program starting in Plan Year (PY) 2021. The second phase seeks to transition the State's individual market to the Georgia Access Model starting in PY 2022. This Section 1332 Waiver application is designed to reduce premiums, increase coverage, and promote a more competitive private insurance marketplace with the introduction of a state reinsurance program for PYs 2021 – 2025 and the Georgia Access Model for PYs 2022 – 2025.

Current Landscape

In 2013, Georgia began participating on the Federally Facilitated Exchange (FFE), HealthCare.gov, operated by CMS as mandated by the Patient Protection and Affordable Care Act (PPACA). Since the inception of PPACA, the individual market in the State has failed to stabilize. Between 2016 and 2019, total enrollment on the FFE in Georgia declined 22.0%, with over 129,000 consumers leaving the marketplace.[1] Approximately 94,000 Georgians left the marketplace from 2016 to 2017, corresponding with the end of the federal reinsurance program. An additional 13,000 left the marketplace from 2017 to 2018 and 22,000 left from 2018 to 2019. As it is operating today in the State, the individual market is not able to provide accessible and affordable coverage to all residents. According to the latest U.S. Census Bureau American Community Survey (ACS) five-year estimates, Georgia has one of the highest uninsured rates in the country at 14.8%, leaving approximately 1.4 million people uninsured across the State.[2] Over half of the uninsured fall between 100% – 400% of the Federal Poverty Level (FPL) and are currently eligible for federal subsidies. The high uninsured rate is attributed to a variety of factors including high premiums and out of pocket expenses and low carrier participation in the individual market.

Table 1: Georgia's Estimated Uninsured Population by Age and FPL[2]

FPL	Under 19	19-64	65+	Total
Below 100%	66,117	408,381	3,619	**478,117**
100% - 137%	28,470	158,704	1,405	**188,579**
138% - 199%	38,257	222,074	2,210	**262,541**
200% - 399%	50,154	333,915	3,374	**387,443**
Over 400%	17,607	135,897	1,656	**155,160**
Total	**200,605**	**1,258,971**	**12,264**	**1,471,840**

[1] CMS Marketplace Reports, Consumers Selecting and Enrolling in Plans 2015 – 2019, available at: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/index.html

[2] U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, available at: https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Georgia experienced unsustainable premium rate increases in the last few years. The average premium for an individual Bronze Plan increased 27% from 2017 to 2019 ($4,692 to $5,952 per year). The average premium for an individual Silver Plan increased 41% from $5,292 to $7,464 per year over the same time period.[1] These increases have been particularly acute in rural areas of the State. Eighteen counties had an average 2019 Silver Plan premium that exceeded $1,000 per month. Georgia is anticipating that given the current trajectory, average premiums will continue to rise 4.9% annually.

A variety of factors can drive high insurance premiums, such as lack of competition in the market and high provider service costs; both are challenges present in Georgia. In PY 2019, only four carriers operate in the individual market across the State. The majority of carriers operate in more densely populated urban areas, keeping premiums relatively more affordable in those areas, whereas rural counties have fewer options. Seventy-four percent of counties in Georgia have only one carrier in the individual market in 2019. The lack of market competition and limited provider network options in these regions have priced many Georgians out of the market, resulting in exceptionally high uninsured rates in these areas. Several counties across the State have uninsured rates in excess of 30% among adults ages 19 to 64 years old.

While over 450,000 individuals selected a plan through the FFE in 2019[3], more than three times that number of Georgians opted to remain uninsured rather than purchase through the FFE, despite many qualifying for subsidies. In addition, enrollment continues to decline. The total number of consumers selecting a plan through the FFE in Georgia decreased 22.0% since PY 2016. Even among individuals between 100% – 150% of the FPL who are eligible for the largest federal subsidies, effectively making premiums for Bronze Plans free for many consumers, participation declined 8.2% since 2017. To address the mounting enrollment challenge, Georgia needs innovative solutions to foster a more effective and sustainable market that better meets the needs of its residents.

High premiums, low carrier participation, and low enrollment create a cycle of market instability across the State. High costs drive out consumers who generally feel healthy enough to take the risk of going uninsured. This creates an imbalance in the risk pool which leads to higher costs among those with greater health care needs. Unless Georgia can address rising premiums, the State believes that affordable coverage will become even more unattainable for more Georgians than it is today.

Innovative Solutions Proposed in this Section 1332 Waiver

The challenges present in Georgia's individual market are complex and cannot be solved by a single solution. As such, Georgia is submitting a two-phased Section 1332 Waiver that crafts a program that is unique to Georgia to tackle its specific needs.

[3] CMS Marketplace Reports, Consumers Selecting and Enrolling in Plans 2015 – 2019, available at: https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/index.html

Phase I: Reinsurance Program

The first phase of Georgia's 1332 Waiver strategy is a reinsurance program to help stabilize the market by reducing premiums and attracting/retaining carriers. Georgia requests a five-year waiver of PPACA Title I, Subtitle D, Part II, Section 1312(c)(1) effective beginning PY 2021 to establish a statewide reinsurance program. Section 1312(c)(1) requires all enrollees in the individual market to be members of a single risk pool. By waiving this requirement, Georgia will be able to include state reinsurance payments when determining the market-wide index rate. A lower index rate will lead to lower premiums in the individual market, including Georgia's Second Lowest Cost Silver Plan (SLCSP), resulting in a reduction in the overall Advanced Premium Tax Credit (APTC) and Premium Tax Credit (PTC) the federal government is obligated to pay for subsidy-eligible consumers. This reduction will generate pass through savings for the State under Section 1332(a)(2). Through this waiver application , Georgia requests federal pass through funds to be used in combination with state funding to finance the reinsurance program. Total funding for Georgia's reinsurance program for PY 2021 is estimated to be $368 million, with $264 million from federal pass through dollars and $104 million from the State General Fund.

The Reinsurance Program is estimated to lower average premiums by 10.0% statewide for PY 2021, resulting in savings for thousands of Georgians buying in the individual market today and making insurance more affordable for those currently uninsured who are not eligible for subsidies. The actuarial analysis estimates that the Reinsurance Program will increase enrollment in the individual market by 0.4% in PY 2021. The premium reduction will bring the most cost relief to individuals over 400% of the FPL who are not eligible for federal subsidies and therefore pay the full out-of-pocket cost for premiums; the estimated increase in enrollment is expected to be concentrated among residents above 400% of the FPL residing in the highest-cost regions of the State.

The Reinsurance Program will reimburse carriers a percentage of an enrollee's claims between an attachment point and a cap. In PY 2021, the program is projected to reimburse claims at an average 27% coinsurance rate for claims between the attachment point of $20,000 and an estimated $500,000 cap. The program will reimburse at different percentages based upon a three-tiered geographic structure designed to provide greater premium relief in regions with the highest premiums and encourage more carriers to participate in parts of the State where there is less carrier participation.

Table 2: Estimated Impact of Georgia's Reinsurance Program on PY 2021 Premiums, Enrollment, and Federal Savings

	Estimated Statewide Premium Impact	Estimated Impact on Individual Market Enrollment	Estimated Federal Savings Due to Premium Reduction
Impact of Reinsurance Program	-10.0%	+0.4%	$264M

Phase II: Georgia Access Model

In Phase II, starting in PY 2022, the State seeks to waive the requirement for an exchange and transition its individual market from the FFE to the new Georgia Access Model. This delivery mechanism capitalizes on commercial market resources and maximizes state flexibility and oversight to drive innovation in access, affordability, and customer service, placing the unique needs of Georgia's residents at the center. Georgia requests a four-year waiver of PPACA Title I, Subtitle D, Part II Sections 1301(a), 1302 (b)(c)(d), 1311, 1402 and IRC Section 36B effective PY 2022 in order to transition its individual market from the FFE to the Georgia Access Model. In the new model, the private sector provides the front-end consumer shopping experience and operations, with the State validating eligibility information and determining if an applicant is eligible for state-based subsidies in the individual health insurance market or Medicaid.

The Georgia Access Model expands consumer access by allowing individuals to shop for and compare available plans through multiple channels. Residents may use commercial market web-brokers or buy directly from carriers and still receive state subsidies, if eligible. One of the added benefits of this model is that consumers will be able to view the full range of health plans licensed and in good standing in the State that are available to them today but sold through channels outside the FFE.

The goal of the Georgia Access Model is to spur innovation in the individual market while maintaining access to Qualified Health Plans (QHPs) and ensuring consumer protections for individuals with pre-existing conditions. The State will certify plans eligible for state subsidies. Under the waiver, the State will continue to certify metal level QHPs and Catastrophic Plans offered today through the FFE. In addition, the State will certify Eligible non-QHPs to provide residents with expanded access to affordable health care coverage options. Eligible non-QHPs have greater flexibility to develop innovative plan design options, but in order to be eligible for subsidies these plans must be in the single risk pool, maintain protections for those with pre-existing conditions, and not be medically underwritten.

The two types of Eligible non-QHPs the State is considering certifying for PY 2022 are Copper Plans and Disease Management Plans. Copper Plans will be required to meet metal level QHP requirements, including all ten essential health benefits (EHBs), and cover the services defined by the State's EHB benchmark plan at a 50% actuarial value. Disease Management Plans must also include all ten EHBs and be assigned a metal level. These plans will continue to be in the single risk pool and may not deny coverage based on health status; however, the plans will be designed to provide specialized care and case management to help individuals better manage and prevent the progression of disease. If the State seeks to certify additional Eligible non-QHP types in future years based upon identified need, the State will inform the Departments of proposed changes to the program with an actuarial analysis, and submit for approval from CMS and the Treasury Department, in accordance with the Specific Terms and Conditions (STCs) that would be issued by the Departments for this waiver upon approval.

Starting in PY 2022, the first year of the Georgia Access Model, the State will implement a state subsidy structure for both QHPs and Eligible non-QHPs that is the same as the federal subsidy structure for individuals between 100% – 400% of the FPL. If the State seeks to modify the

subsidy structure in future years based upon identified need, the State will inform the Departments of proposed changes to the program with an actuarial analysis and submit for approval from CMS and the Treasury Department, in accordance with the STCs issued by the Departments for this waiver upon approval.

The implementation of the Georgia Access Model is expected to increase enrollment in the individual market through improved customer service, outreach, and education provided by the private market and because of the availability of more product options. Approximately 35,000 Georgians left the marketplace from 2017 to 2019; 92% of whom were outside the FPL eligibility threshold for premium tax credit subsidies. The implementation of Georgia Access is expected to attract consumers back into the market. The state program budget accounts for an enrollment increase of approximately 79,000 additional individuals, 25,570 of whom would be subsidy-eligible for PY 2022.

Phase I: Reinsurance

Section I: Program Overview

Georgia seeks a Section 1332 State Relief and Empowerment Waiver to provide relief to consumers from rising premiums and limited carrier choice. Georgia requests a waiver of PPACA Title I, Subtitle D, Part II, Section 1312(c)(1) for a five-year period beginning in PY 2021 to develop a state reinsurance program. Section 1312(c)(1) requires all enrollees in the individual market to be members of a single risk pool. By waiving this requirement, Georgia will be able to include state reinsurance payments when determining the market-wide index rate. A lower index rate will result in lower premiums in the individual market, including Georgia's SLCSP, resulting in lower premiums for those purchasing on the individual market and a reduction in the overall APTC/PTC that the federal government is obligated to pay for subsidy-eligible consumers in Georgia, generating pass through savings for the State under Section 1332(a)(2).

The goal of the Reinsurance Program is to stabilize the individual market to reduce premiums and incentivize carriers to offer plans in more regions across the State. Without the waiver, Georgia anticipates that premiums will continue to rise at 4.9% annually as the pool of healthy individuals in the market continues to erode, further destabilizing the market and increasing the federal debt. By mitigating high-cost individual health insurance claims, the Reinsurance Program will help stabilize Georgia's individual market and make premiums more affordable. This is especially important for high-cost regions of the State with average premium rates nearly double the statewide average.

Georgia's Reinsurance Program will be a claims-based model with an attachment point, cap, and a tiered coinsurance rate. The attachment point is where the program will begin to reimburse the carrier for a percentage of high-cost claims up to the cap amount. The applied coinsurance rate will be based upon rating region. Higher coinsurance rates will be applied to high-cost regions to bring the premiums in these regions closer to the statewide average.

Rating regions will be grouped into three areas for applied coinsurance rates:

- Tier 1 (low-cost regions) includes rating regions 2, 3, 5, 8, 14
- Tier 2 (mid-cost regions) includes rating regions 1, 7, 9, 12, 16
- Tier 3 (high-cost regions) includes rating regions 4, 6, 10, 11, 13, 15

For PY 2021, the program is projected to reimburse claims at an average coinsurance rate of 27% for claims between the attachment point of $20,000 and an estimated $500,000 cap. The program is projected to reimburse at different percentages based on the coinsurance rates shown in Table 2. Actual reimbursement rates may vary slightly depending on total federal pass through dollars and state funding.

Table 3: Summary of Estimated Attachment Point, Cap, and Coinsurance for PY 2021

Estimated Attachment Point	Estimated Cap	Estimated Coinsurance
$20,000	$500,000	Tier 1: 15% Tier 2: 45% Tier 3: 80%

The Reinsurance Program is anticipated to reduce premiums in the individual market statewide by 10.0% and subsequently increase enrollment by 0.4%. The premium reduction and increased enrollment will provide the most cost relief to individuals over 400% of the FPL who are not eligible for federal subsidies and therefore pay the full out-of-pocket cost for premiums The State expects that carriers will continue to have incentives to apply their care management practices to contain costs, even after a given member reaches the specified attachment point, as carriers will only be reimbursed a portion of a given member's claim costs between the attachment point and reinsurance cap.

Total funding for the reinsurance program for PY 2021 is estimated to be $368 million. Through this waiver, Georgia requests that the estimated net APTC/PTC savings of $264 million to the federal government from the reduction in premiums be passed through to the State to partially fund the Reinsurance Program. The remaining $104 million of the program will be funded by the State General Fund.

Georgia's Reinsurance Program will be implemented and administered by the Office of Health Strategy and Coordination, working in collaboration with the Georgia Office of Insurance and Safety Fire Commissioner (OCI). The Office of Health Strategy and Coordination, in coordination with OCI, has the authority to adjust the reinsurance parameters from year-to-year based upon claims experience, the funds available, and the anticipated claims for the coming plan year. The annual payment parameters will be established by administrative process and communicated via notice by May prior to the upcoming plan year.

Section II: Authorizing Legislation

The following two pieces of legislation grant the State of Georgia authority to submit and implement the Reinsurance Program described in this Section 1332 Waiver application.

Senate Bill 106: Patients First Act

Governor Brian P. Kemp signed Senate Bill 106, The *Patients First Act,* into law on March 27, 2019 amending Article 7 of Chapter 4 of Title 49 and Title 33 of the Official Code of Georgia. The *Patients First Act* authorizes the Governor to submit one or more Section 1332 Waiver applications to the United States Secretaries of Health and Human Services and the Treasury Department on or before December 31, 2021 to pursue innovation strategies for providing residents with access to high-quality, comprehensive, and affordable health insurance, while retaining basic protections for consumers.

The *Patients First Act* gave the Governor authority to submit a 1332 waiver with respect to health insurance coverage or health insurance products. This is codified in O.C.G.A. § 33-1-23(a). In section 3-1 (3) of the law, which is uncodified, the General Assembly found that "such

waivers may be narrowly tailored to address specific problems and may address, among other things, the creation of state reinsurance programs." The *Patients First Act* also authorizes the State to implement Section 1332 Waivers upon approval in a manner consistent with state and federal law and repeals all laws or parts of law in conflict with the *Patients First Act.* No additional legislation is required for the implementation and operations of the State's Reinsurance Program.

A copy of Senate Bill 106, *Patients First Act,* may be found at http://www.legis.ga.gov/legislation/en-US/Display/20192020/SB/106 and is included within Appendix A: Authorizing Legislation.

House Bill 186: The Health Act

On April 25, 2019, Governor Brian P. Kemp signed House Bill 186 into law, amending Article 1 of Chapter 53 of Title 31 of the O.C.G.A. Part II of the legislation, *The Health Act,* establishing the Office of Health Strategy and Coordination within the Office of the Governor, which will oversee this program. The objective of this Office is to strengthen and support the healthcare infrastructure of the State through interconnecting health functions, sharing resources across multiple state agencies, and overcoming the barriers to the coordination of health functions.

The powers and duties of the Office of Health Strategy and Coordination include facilitating collaboration and coordination between state agencies, coordinating state health functions and programs, serving as a forum for identifying Georgia's specific health issues of greatest concern, and promoting cooperation from both public and private agencies to test new and innovate ideas. The Office is granted authority to form and dissolve advisory committees.

A copy of House Bill 186 may be found at http://www.legis.ga.gov/legislation/en-US/Display/20192020/HB/186 and is included within Appendix A: Authorizing Legislation.

Section III: Provisions of the Law the State is Seeking to Waive

Georgia requests a five-year waiver of PPACA Title I, Subtitle D, Part II, Section 1312(c)(1) to establish a statewide reinsurance program. Section 1312(c)(1) requires all enrollees in the individual market to be members of a single risk pool. By waiving this requirement, Georgia will be able to include the State reinsurance payments when determining the market-wide index rate. A lower index rate will result in lower premiums for Georgia's SLCSP, resulting in a reduction in the overall APTC/PTC that the federal government is obligated to pay for subsidy-eligible consumers in Georgia. under section 1332(a)(2). Georgia is requesting the federal savings generated by the Reinsurance Program be passed through to the State for each year of the waiver. This amount is estimated at $264 million for PY 2021. Georgia will use these funds, along with the State General Fund, to finance its reinsurance program which is projected to decrease premiums 10.0% statewide in PY 2021.

Section IV: Compliance with Guardrails: Data, Analyses, and Certifications

Georgia's proposed reinsurance program meets the four guardrails as described in the following table.

Table 4: Reinsurance Program Alignment to Guardrails

Guardrail	Impact of Reinsurance Program
Comprehensiveness	There will not be a change in the access to metal level QHPs and Catastrophic Plans and their required EHBs.
Affordability	Premiums are projected to decrease by an average of 10.0% statewide for PY 2021 with the Reinsurance Program, ranging from 4.8% – 25% depending on rating region. The average annual premium decrease compared to the Without Waiver baseline over the 5-year waiver period and 10-year projection period is 10.4% and 10.9% respectively.
Scope of Coverage	Enrollment is estimated to increase by 0.4% in PY 2021, 0.5% in PY 2022, and 0.6% in PY 2030 due to the Reinsurance Program.
Deficit Neutrality	Net federal spend is estimated to decrease by $264 million in PY 2021, $1.5 billion over the 5-year waiver period, and $3.6 billion over the 10-year projection period for the Reinsurance Program.

- **Comprehensiveness:** There is no estimated difference in the comprehensive coverage options available to residents with the implementation of the Reinsurance Program. The Reinsurance Program will have no impact on covered benefits or the actuarial value of plans offered in the individual market absent the waiver.
- **Affordability:** During each year it is in effect, the Reinsurance Program will make the cost of individual premiums lower than it would be absent the waiver, particularly within rural, high-cost regions of the State. This will reduce the cost for consumers in the individual market absent the waiver. The premium reduction will provide the most cost relief to individuals over 400% of the FPL who are not eligible for federal subsidies and therefore pay the full out-of-pocket cost for premiums. Consumers will continue to be protected from excessive out-of-pocket spending at the same levels they are absent the waiver.
- **Scope of Coverage:** The previously described reduction in premiums is estimated to increase enrollment, with the increase concentrated among those above 400% of the FPL who are not eligible for federal subsidies. The program will have no material impact on the availability of other types of coverage, such as Medicaid, the Children's Health Insurance Program (CHIP), and employer sponsored insurance.
- **Federal Budget Deficit:** The reduction in individual premiums as a result of the Reinsurance Program, including premiums for the SLCSP associated, is estimated to reduce federal spending on APTC/PTC. Lower premiums in the individual market will also result in a small reduction in revenues from the FFE user fee and health insurer tax. Combining these factors, Georgia requests pass through funds equal to $264 million for PY 2021 and $3.6 billion over a 10-year period for the Reinsurance Program.

Table 5: Estimated Impact of the Reinsurance Program PYs 2021 – 2025 (Waiver Years 1 - 5)

With vs Without Waiver - Reinsurance Only	Year 1 (PY 2021)	Year 2 (PY 2022)	Year 3 (PY 2023)	Year 4 (PY 2024)	Year 5 (PY 2025)
Enrollment Change	1,504	1,794	1,876	1,926	1,971
Enrollment Change	0.4%	0.5%	0.5%	0.5%	0.5%
Premium Reduction	10.0%	10.2%	10.4%	10.6%	10.8%
Cost to State ($ Millions)	$104	$111	$119	$127	$136
Pass Through Funding ($ Millions)	$264	$283	$303	$323	$346

Section V: Alignment with Principles

Georgia's Reinsurance Program aligns with and advances the following principles discussed in CMS' 2018 Guidance.

- **Increased Access to Affordable Private Market Coverage:** The implementation of a reinsurance program will reduce costs for consumers, increase access to affordable private market coverage options, and create incentives for carriers to expand options within high-cost areas of the State. The premium reduction will provide the most cost relief to individuals over 400% of the FPL who are not eligible for federal subsidies and therefore pay the full out-of-pocket cost for premiums.
- **Encourage Sustainable Spending Growth:** The Reinsurance Program encourages sustainable spending growth by stabilizing the individual market within the State and promoting more cost-effective health coverage. By reducing premiums, federal spending on APTC/PTC will also be reduced.
- **Foster State Innovation:** Georgia's tiered coinsurance approach to market stabilization fosters innovation by reshaping the traditional claims reinsurance program to target high-cost regions of the State that currently lack competition and affordable products. This program will provide Georgia consumers with greater access to affordable plan options where it is most needed and attract/retain carriers in those regions.

Section VI: Reporting Targets

The Office of Health Strategy and Coordination will submit all required quarterly, annual, and cumulative reports as required by 45 CFR 155.1324. The reports will demonstrate Georgia's ongoing compliance with the sections of PPACA not being waived and will provide detailed information showing financial data with and without waiver.

As required by 45 CFR 155.1324(a), Quarterly Reports will be submitted. The reports will include, but not be limited to, information on ongoing operational challenges and corrective action plans and/or results.

As required by 45 CFR 155.1324(b), the Annual Report will be submitted within 90 days of year end. Within 60 days of receipt of comments from the Secretary of HHS, Georgia will submit to the Secretary of HHS the final Annual Report for the waiver year. The draft and final Annual

Reports will be published on the State's public website within 30 days of submission and approval by the Secretary of HHS.

The annual report, will include, but not be limited to:

- The current state and the progress of the Section 1332 Waiver to date
- Data on the State's compliance with the guardrails in PPACA section 1332(b)(1)(A) - (D), 31 CFR 33.108(f)(3)(iv)(A)-(D), and 45 CFR 155.1308(f)(3)(iv)(A)-(D)
- Premiums for the Second Lowest Cost Silver Plan under the Section 1332 Waiver and an estimate of the premium as it would have been without the waiver for a representative consumer in each rating area
- A summary of the public forum required by 31 CFR 33.120(c) and 45 CFR 155.1320(c) and a summary of actions taken in response to public input
- Funding received and claims paid

Section VII: Implementation Plan and Timeline

The following table outlines the high-level timeline and key milestones for implementation of the Reinsurance Program. The State will require carriers to submit two sets of rates for PY 2021, with and without reinsurance based on the parameters set within this waiver application. Upon waiver approval, the State will notify carriers of the approved program and parameters. The State will work with carriers to establish ongoing communication and operational coordination for execution of the program. Carriers will be required to submit claims on a quarterly basis. The State will consider options and determine the mechanism for claims submission as part to operational design.

Table 6. High-Level Implementation Timeline for the Reinsurance Program

End Date	Milestone
Section 1332 Waiver Application Process	
11/4/2019	Publish draft Section 1332 Waiver on state website and notify the public
11/4/2019	Begin public comment period
12/3/2019	Complete public hearings facilitated in six locations across the State
12/3/2019	End public comment period
12/23/2019	Submit final Section 1332 Waiver application to HHS and Treasury
4/1/2020	Target to receive approval from HHS and Treasury for Phase I of the waiver
Legal Authority and Governance	
3/27/2019	Establish appropriate state legal authority with signing of *Patients First Act*
4/25/2019	Establish Office of Health Strategy and Coordination authorized by HB 186
5/1/2020	File proposed rules as applicable
Staffing and Operations	
3/1/2020	Identify staffing and operational needs for the program
3/1/2020	Determine claims submission mechanism
4/1/2019	Reinsurance program parameters communicated via notice for PY 2021
7/1/2020	Identify operational coordination required between the State and carriers
Funding	
4/1/2020	Approved State Fiscal Year (SFY) 2021 budget

End Date	Milestone
8/1/2020	Draft projected budget for SFY 2022
9/1/2020	Develop payment schedule to carriers based on CMS parameters
9/15/2020	Send HHS and Treasury final Second Lowest Cost Silver Plan rates
11/01/2020	Receive projections for federal pass through for PY 2021
4/30/2021	Receive federal pass through funding for PY 2021
Communication and Outreach	
6/1/2020	Develop communication strategy for impacted stakeholders
Year One Implementation	
11/1/2020	Begin open enrollment
1/1/2021	Begin PY 2021 with reinsured claims
4/1/2021	Receive carrier claims for the first quarter
5/1/2021	Notify carriers of reinsurance parameters for PY 2022
7/1/2021	Receive carrier claims for the second quarter
10/1/2021	Receive carrier claims for the third quarter
1/1/2022	Receive carrier claims for the fourth quarter
4/1/2022	Receive run out claims for PY 2021, reconcile claims, and issue payments to carriers

Section VIII: Public Notice, Comment Process, and Communications Plan

Public Notice

Georgia used multiple mechanisms to notify the public about the 1332 Waiver application and provided ample opportunity for the public to provide feedback both via oral testimony and written comment. The State's public notice and public comment procedures are informed by, and comply with, the requirements specified in 31 CFR 33.112 and 45 CFR 155.1312.

On October 31, 2019, Governor Kemp publicly announced the 1332 Reinsurance Program and Georgia Access Waiver application. The official notice from the Governor was released on November 4, 2019 to commence the 30-day state public comment period which closed on December 3, 2019. The notice was distributed statewide, and on November 4, 2019, the State posted the public notice, including a comprehensive description of the application as well as the locations of the public hearings, on a dedicated webpage for the *Patients First Act* at, https://medicaid.georgia.gov/patientsfirst. The notice was shared via social media, including Facebook and Twitter.

Electronic copies of the waiver application and all presentations related to 1332 Waiver were available on the *Patients First Act* webpage throughout the comment period. The public notice provided instruction for any individual to submit written feedback to the State via an electronic intake portal on the dedicated webpage or by USPS mail. A full copy of the public notice is included as Appendix D of this waiver application.

At the onset of waiver development, the State convened a group of stakeholders comprised of individuals and organizations representing a variety of stakeholders across Georgia's healthcare landscape. The stakeholders were engaged during the waiver development process when considering changes to the individual marketplace to increase access across the state, lower the cost of healthcare for working Georgians, and improve quality of care. The State emailed the

broad range of interested parties/stakeholders about the public notice and waiver application, and the State assembled the stakeholder group on November 4, 2019 to provide an overview of the draft waiver. This meeting was open to the public. A list of stakeholders notified about this meeting is included as Appendix E of this waiver application, and a copy of the stakeholder presentation is included as Appendix F of this waiver application.

In addition to the stakeholder meeting, the 1332 Waiver was presented to a public legislative committee hearing, the Joint House and Senate Health and Human Services Committee, on November 5, 2019. This legislative hearing was open to the public, livestreamed online, and is available for viewing at https://medicaid.georgia.gov/patientsfirst.

Public Comment Process

The federal regulations require two public hearings; however, the State held six formal public hearings in geographically dispersed regions of the State during the public comment period. This was done to maximize opportunities for residents and stakeholders to be heard. These hearings took place as follows:

- **Savannah, Georgia**
  Thursday, November 7, 2019, 1:00 p.m. EST
  Hoskins Center for Biomedical Research, Mercer Auditorium
  1250 East 66th Street, Savannah, Georgia 31404

- **Macon, Georgia**
  Wednesday, November 13, 2019, 1:00 p.m. EST
  Mercer University School of Medicine, Auditorium
  1550 College Street, Macon, Georgia 31207

- **Bainbridge, Georgia**
  Thursday, November 14, 2019, 1:00 p.m. EST
  Southern Regional Technical College
  The Charles H. Kirbo Regional Center, Dining Room 112
  2500 East Shotwell Street, Bainbridge, Georgia 39819

- **Gainesville, Georgia**
  Monday, November 18, 2019, 1:00 p.m. EST
  Gainesville Civic Center, Chattahoochee Room
  830 Green Street, Gainesville, Georgia 30501

- **Rome, Georgia**
  Thursday, November 21, 2019, 1:00 p.m. EST
  West-Rome Baptist Church, The Well Building
  914 Shorter Avenue, Rome, Georgia 30165

- **Kennesaw, Georgia**
  Friday, November 22, 2019, 2:00 p.m. EST
  North Cobb Regional Library, Multi-purpose Room
  3535 Old 41 HWY, Kennesaw, Georgia 30144

Each of the six public hearings followed the same format, beginning with an overview of the 1332 Waiver proposal, followed by the collection of oral public comment. A court reporter transcribed and entered into the public record all verbal comments presented during each of the public hearings. The transcripts from each of the public hearings are available on a dedicated webpage on the *Patients First Act* website, https://medicaid.georgia.gov/patientsfirst. A sign language interpreter was available at all the hearings for the individuals present, and individuals requiring special accommodations, including auxiliary communicative aids and services during these meetings could request such accommodations in advance of the meeting. A brief overview of the hearings is provided below. The hearing presentation is included as Appendix G.

Summary of Public Hearings

A total of 95 individuals attended the six hearings hosted across the State. Thirty-nine individuals gave oral testimony. Speakers spoke on behalf of themselves as Georgia residents and the following organizations: Step Up Savannah, Georgia Legal Services, Georgia Council on Substance Abuse, Georgians for a Healthy Future, Northeast Georgia Health System, Georgia Interfaith Public Policy Center, Georgians for a Healthy Future, Georgia Budget and Policy Institute, Georgia Advocacy Office, American Lung Association, 9to5, Alliant Health Plans, CCC Inc, YWCA of Greater Atlanta, GOTA, Community Catalyst, NAMI, 159 Georgia Together, Recovery Bartow, New Georgia Project, Georgia Cystic Fibrosis Foundations, National MS Society, The Carter Center, Therapy Works PC. A copy of the oral testimony may be found on a dedicated webpage on *Patients First Act* website, https://medicaid.georgia.gov/patientsfirst.

Total Comments Received

Following the public comment period, all written and oral comments were cataloged, summarized, and organized. The State gave all comments received through the various mechanisms the same consideration. Additional information regarding the comments received regarding the 1332 Waiver, as well as the State's response to those comments is outlined below.

In total, the State received 946 public comments during the public comment period, including 907 written comments and 39 oral testimonies across the six public hearings. The State reviewed all comments and appreciates the public input received from Georgia residents and interested organizations. A summary of the comments received, and the State's responses, are detailed below, including modifications made to the waiver application as a consequence of the comment period.

The following summary combines the testimony offered at the public hearings as well as the comments received by the State through the comment portal and via USPS mail. To address public input, comments are summarized by topic and are followed by a response. A complete collection of all public comments submitted is available on a dedicated webpage on *Patients First Act* website, https://medicaid.georgia.gov/patientsfirst.

Reinsurance Program Comments

Comments received addressed multiple provisions in the waiver application, offering support, opposition, and/or suggestions. The comments received about the Reinsurance Program have been categorized into the following topics:

- Program Goals
- Operational Considerations
- Other

Program Goals:

Summary of Comments: Some commenters were in support of the proposed Reinsurance Program and commended the State for its steps to stabilize the individual market with a tiered coinsurance rate to bring down premiums in high-cost regions of the State. Other commenters expressed concerns that the Reinsurance Program would benefit insurance carriers rather than consumers, would have limited impact on consumers, or would only benefit consumers who are not eligible for subsidies.

State Response: Reinsurance programs provide payments to carriers to help offset the cost of insuring members with high medical claims. This brings greater predictability in pricing and lowers the risk of market participation for carriers, resulting in reduced overall premiums compared to what they would be without reinsurance and fosters a more competitive marketplace. Lower insurance premiums impact the entire individual market, although it is expected that individual consumers who are ineligible for subsidies and currently pay the highest premiums will see the greatest benefit from the expected reduction in premiums. Reinsurance programs have been approved in 12 other states and are proving to be effective at reducing premiums and maintaining/increasing carrier participation in the individual market.

Operational Considerations:

Summary of Comments: Some commenters raised operational considerations regarding the implementation of the Reinsurance Program, including reimbursing carriers on an ongoing basis rather than at the end of the plan year and modifying the current risk adjustment process to account for the new reinsurance program.

State Response: The State appreciates the operational considerations and will take these comments into account during operational design. The State will evaluate the benefit of implementing a risk adjustment dampening factor during waiver negotiations with CMS and the Treasury Department to account for changes in the risk pool with the implementation of the Reinsurance Program.

Other:

Summary of Comments: Some commenters were generally opposed to the waiver and suggested the State instead use funding to expand Medicaid to 138% of the FPL.

State Response: Section 1332 Waivers address the individual health insurance market and do not address Medicaid. The authorizing legislation, *Patients First Act*, codified at OCGA §49-4-142.3 authorizes the Governor to submit a Section 1332 Waiver and DCH to submit an 1115 Medicaid waiver for new populations up to 100% of the FPL. The legislation does not permit Medicaid expansion to newly eligible populations up to 138% of the FPL. The separately proposed 1115 Demonstration Waiver provides a new Pathway for Medicaid coverage for individuals up to 100% of the FPL. Individuals between 100% and 138% of the FPL have the option to purchase individual health insurance with premium subsidies and cost-sharing reductions (CSRs).

Changes to the Waiver
The State appreciates the public's input on the Georgia 1332 Waiver. Based on an analysis of the comments received, both written and those given through oral testimony, and other channels of feedback, the State has not proposed any changes to the proposed Reinsurance Program.

Tribal Consultation
The State of Georgia does not have any Federally recognized Indian tribes within its borders and thus has not established a separate process for consultation with any tribes with respect to this Section 1332 Waiver application.

Section IX: Additional Information
Administrative Burden for Individuals, Issuers, or Employers
The Reinsurance Program will not cause any additional administrative burden to employers and individual consumers. Individual health carriers will experience some administrative burden and minimal associated expenses from the reinsurance program; however, the monetary benefit to the carriers from the Reinsurance Program will exceed any resulting administrative expense.

Impact of PPACA Provisions Not Being Waived
The Reinsurance Program is not projected to impact other provisions of PPACA beyond those being waived.

Impact on Residents Who Need to Obtain Healthcare Services Out-of-State
Because Georgia shares borders with Alabama, Florida, North Carolina, South Carolina, and Tennessee, carrier service areas and networks that cover border counties generally include providers in those states, especially in areas where the closest large hospital system is in the border state. Granting this waiver request will not impact carrier networks or service areas that provide coverage for services performed by out-of-state providers.

Providing the Federal Government Information to Administer the Waiver
Georgia will provide the federal government all necessary information to administer the waiver as defined by the reporting requirements (see Phase I: Reinsurance Program Section VI). In addition, the State will keep CMS apprised of substantial changes to the program and implementation timelines.

Guarding Against Fraud, Waste, and Abuse
Georgia is committed to administering a reinsurance program with appropriate oversight and processes to guard against fraud, waste, and abuse. This includes instituting programmatic oversight mechanisms as well as appropriate financial controls and oversight.

The Office of Health Strategy and Coordination will administer the program in accordance with accepted government accounting practices, as well as reporting and auditing procedures.

The OCI will continue to be responsible for regulating and ensuring compliance of licensed carriers; monitoring the solvency of all issuers; performing market conduct analysis, examinations, and investigations; and providing consumer protection services. In addition, OCI will be responsible for auditing and reporting obligations of participating carriers.

Information on Groups Convened to Develop This Waiver

The State formed an Advisory Council of healthcare stakeholders across the State to inform the waiver development. Hospital systems, carriers, associations, advocacy groups, government agencies, and legislators were represented on the Advisory Council. A kick-off meeting was conducted on July 18, 2019 and materials made available to the public on https://medicaid.georgia.gov/patients-first-act. The State also held a series of meetings with carriers from August 18 – 21, 2019 to understand the current challenges in the individual market.

Section X: Administration

The following point of contact will be responsible for ensuring compliance with all Section 1332 Waiver provisions, submitting required reports, and serving as the primary contact for all waiver-related issues and concerns. Should this contact change, the State will inform CMS and Treasury.

Name: Ryan Loke
Title: Office of the Governor, Special Projects Coordinator
Telephone Number: 404-606-6031
Email address: Ryan.Loke@georgia.gov

A waiver of Section 1312(c) for implementation of a state reinsurance program will cause minimal administrative burden and expense for Georgia and the federal government. Georgia anticipates the cost of administering the reinsurance program will be less than 1% of claims paid. Under the newly established Office of Health Strategy and Coordination, Georgia will either have staff or outsource operations to:

- Perform ongoing administration and program monitoring
- Collect and review claims from carriers
- Pay carriers for eligible claims
- Monitor compliance with federal law
- Collect and analyze data related to the waiver
- Hold public forums to solicit comments on the progress of the waiver
- Submit reports to the federal government

The federal government will be responsible for calculating the APTC/PTC pass through funding and savings resulting from this waiver and for ensuring the waiver meets statutory guardrails. Georgia believes that the administrative tasks required of the federal government are similar to other administrative functions currently performed, so that the impact will be minimal. The reinsurance program will require the federal government to perform administrative tasks such as:

- Review state reports
- Evaluate periodically the State's 1332 Waiver program
- Calculate and facilitate the transfer of pass through funds to the State
- Review documented complaints, if any, related to the waiver

The reinsurance program does not necessitate any changes to the FFE or to Internal Revenue Service (IRS) operations and will not impact how APTC/PTC payments are calculated or paid.

Phase II: Georgia Access Model

Section I: Program Overview

With 1.4 million uninsured residents across the State, over 50% of whom are subsidy-eligible today, it is evident the existing process for shopping, comparing, and enrolling in individual health insurance coverage through the FFE is not serving the needs of Georgians. Georgia therefore requests to waive PPACA Title I, Subtitle D, Part II Sections 1301(a), 1302 (b)(c)(d), 1311, 1402 and IRC Section 36B to transition its individual market from the FFE to the Georgia Access Model with state-based subsidies and the sale of non-QHPs alongside QHPs for PYs 2022 – 2025.

Without this waiver, Georgia anticipates that healthcare coverage will continue to decline across the State. The total number of consumers selecting a plan through the FFE in Georgia has declined 22% since 2016. The State does not anticipate these individuals returning to the market, nor a reduction in the uninsured rate, without the State acting to address these issues and aligning market incentives to increase participation.

The goal of the Georgia Access Model is to increase affordability and spur innovation in the individual market while maintaining access to QHPs and ensuring consumer protections for individuals with pre-existing conditions. The Georgia Access Model will create a competitive private insurance marketplace that provides Georgia's residents with better access, improved customer service, and expanded choice of affordable coverage options.

The Georgia Access Model will be implemented by the Office of Health Strategy and Coordination, working in coordination across state agencies including OCI, the Department of Community Health (DCH), and the Department of Revenue (DOR). The State will transition responsibility for the front-end functions of consumer outreach, customer service, plan shopping, selection, and enrollment from the FFE to the commercial market. The State will establish standards, determine subsidy eligibility, and issue subsidies. Funding for the program will be provided by both federal pass through dollars and the State General Fund.

Program Design - Access

The Georgia Access Model expands consumer access by allowing individuals to shop for and compare available plans using the platform of their choice. The individual may use commercial market web-brokers or buy directly from carriers while still receiving state subsidies, if eligible.

Georgia will support a diverse network of private sector entities to deliver the front-end functions of outreach, customer service, plan shopping, selection, and enrollment by leveraging privately funded mechanisms and incentives that already exist in the commercial market today. Web-brokers and carriers licensed and in good standing with the State that meet defined standards will be able to participate. The State will be responsible for ongoing program management and compliance of participating private sector entities.

All individual health plans licensed and in good standing with the State will be able to participate in the Georgia Access Model, including plans currently offered through the FFE and those

available in the wider market. New enrollment mechanisms will allow consumers to view and enroll in plans through the platform that best meets their needs. The new model will improve the shopping and selection experience for consumers as they will be able to view the full range of coverage options available in the State via web-brokers.

Georgia expects web-brokers and carriers to facilitate multiple channels for plan/product selection and enrollment, such as online, by phone, or in-person, thus leading to improved customer service and access. Allowing multiple private web-brokers to participate will create competition and provide market incentives to offer high-quality localized outreach, plan/product selection and enrollment assistance, as well as high-quality customer service to attract uninsured individuals into the market. Web-brokers are typically paid on commission for enrollment, creating strong market incentives to provide education and outreach to drive enrollment and reduce the number of uninsured, without cost to the State. Web-brokers are incentivized to provide strong customer service to retain their consumer base year over year. As more individuals enter the market, the risk pool across each region grows, thereby driving down premiums.

Private web-brokers and carriers will be able to directly market to potential applicants and assist residents in navigating their expanded health care coverage options. Local brokers will be able to discuss plan options with residents, and if asked, help navigate web-broker or carrier websites. The private market will be incentivized to provide high-quality customer service to retain consumer loyalty, as consumers select their enrollment pathway each year. Similar to federal requirements, web-brokers participating in the Georgia Access Model will be restricted from providing financial incentives for specific plan selection and may not display plan recommendations based on compensation received from the plan issuers.

To improve access, OCI will provide consumers with a single source of information on the health care coverage options available in the state and how to access and enroll in that coverage. Through the existing OCI website, the State will provide a list of approved carriers and web-brokers that will participate in Georgia Access. In addition, HealthCare.gov, the existing FFE Georgia platform, will provide consumers with a link to the State OCI website if an individual attempts to enroll using a Georgia location. This will be part of the transition strategy intended to provide consumers with necessary information to shift from the FFE and enroll through the options available via Georgia Access.

The State anticipates that by providing multiple enrollment mechanisms through Georgia Access, the consumer experience for plan shopping and selection will be easier than the current FFE experience. Participating web-brokers will be required to display all available QHPs and clearly differentiate for consumers the plans that are subsidy-eligible and those that are not. The State will look to industry best practices for guidance, including those for Enhanced Direct Enrollment (EDE) to ensure that consumers have comprehensive and secure access to available plan options.

Georgia recognizes that moving from the FFE to the Georgia Access Model will require a detailed transition strategy, including thoughtful and clear communication for current consumers and potential new consumers. The State will convene an advisory body of key stakeholders from

across Georgia's healthcare landscape – including web-brokers and carriers – to support the implementation planning and rollout of the Georgia Access Model. Stakeholder communication and engagement will be critical throughout the process to enable a smooth transition to the new model and provide customer service, notification, and education to residents. Georgia will also work closely with CMS throughout implementation to mitigate any potential gaps in coverage for current individual market consumers.

Program Design – Plan Certification

The State will be responsible for setting standards and certifying individual plans sold within the State that are eligible for state subsidies as well as those that are not eligible for subsidies. The State intends to increase access to affordable health care coverage options while maintaining access to QHPs and ensuring consumer protections for individuals with pre-existing conditions.

The goal is to spur innovation while not eroding the availability and affordability of QHPs. The State will certify metal level QHPs and Catastrophic Plans offered today in the individual market. Under this waiver, these QHPs and Catastrophic Plans will continue to look the same as they do today.

In addition, the State will certify Eligible non-QHPs that will have the flexibility to offer innovative plan options to better meet individual health care needs. By providing greater flexibility for plan design, Georgia will be able to provide residents with expanded access to more affordable and consumer-focused health care coverage. To be eligible for state subsidies, Eligible non-QHPs must be in the single risk pool, maintain protections for those with pre-existing conditions, and not be medically underwritten. Eligible non-QHPs will not be required to meet the full requirements of QHPs; however, they will be required to maintain basic consumer protections and regulatory requirements. Eligible non-QHPs will have the flexibility to develop benefit packages that factor in unique consumer needs including services that address social determinants of health.

Table 7: Eligible non-QHP Consumer Protection Requirements

Requirements	Reference Code	General Description
Fair Health Insurance Premiums & Health Status	45 CFR § 147.102 45 CFR § 147.110	Insurers may only vary rates based on age, tobacco use, geographic area, and family composition. They cannot discriminate based on health status.
Guaranteed Availability of Coverage	45 CFR § 147.104	Insurers must accept every individual who applies for coverage.
Guaranteed Renewability of Coverage	45 CFR § 147.106	Insurers must allow consumers to renew coverage as applicable.
Prohibition of pre-existing condition exclusions	45 CFR § 147.108	Prohibits insurers from excluding pre-existing conditions from covered 45 CFR § 147.104 benefits under the plan.
Dependent coverage to age 26	45 CFR § 147.120	Plans must allow adult children up to age 26 to remain on the family plan.
No lifetime or annual limits	45 CFR § 147.126 (a) (b)	Plans cannot impose lifetime or annual limits on benefits.

Requirements	Reference Code	General Description
Prohibition on rescissions	45 CFR § 147.128	Insurers cannot arbitrarily cancel coverage because of a mistake or error on the insurance application.
Internal claims and appeals and external review processes	45 CFR § 147.136	Requires effective internal claims and appeals and external review processes.
Patient Protections	45 CFR § 147.138	Patient protections, including designation of primary care provider, coverage of emergency services, cost sharing requirements for out-of-network emergency services.
Parity in mental health and substance use disorder benefits	45 CFR § 147.160 45 CFR § 146.136 (c)(2) 45 CFR § 147.210	If a plan provides mental health or substance use disorder benefits, it may not apply any financial requirement or treatment limitation to mental health or substance use disorder benefits in any classification that is more restrictive than the predominant financial requirement or treatment limitation of that type applied to substantially all medical/surgical benefits in the same classification.
Summary of Benefits and Coverage	45 CFR § 147.200	Plans must provide consumers with standard written information so they can compare medical plans as they make decisions about which plan to choose.
Minimum Medical Loss Ratio	45 CFR § 158.210	Sets MLR at 80% for individual market and requires rebates for enrollees if less than 80% in an MLR reporting year.
Marketing	45 CFR § 156.225 ~~42 USC § 18031(c)(1)(a)~~	Plans may not employ marketing practices or benefit designs that have the effect of discouraging the enrollment in such plan by individuals with significant health needs.

In addition, Eligible non-QHPs must meet the following State requirements:

- **Carrier:** The carrier must be licensed and in good standing with the State.
- **Certificate:** The plan must comply with regulations defined by the State and hold a certificate of meeting regulatory criteria.
- **Single-Risk Pool:** Plans must be part of the single risk pool.
- **Rates:** The premium rate must be the same regardless of the vehicle used to access and purchase coverage (i.e., web-brokers, directly from the carrier, through an agent).
- **Network:** The network must ensure a sufficient choice of providers and provide information to enrollees and prospective enrollees on the availability of in-network and out-of-network providers. The network must include essential community providers, where available, that serve predominately low-income, medically-underserved individuals.

- **Quality:** Provide information on quality measures and contract with hospital and providers that utilize patient safety evaluation systems in part C of title IX of the Public Health Service Act [42 U.S.C. 299b–21 et seq.].
- **Reporting:** Maintain reporting requirements as defined by the State.

For the first year of Georgia Access, the State will consider certifying two types of Eligible non-QHPs: Copper Plans and Disease Management Plans:

1. **Copper Plans** must include all ten EHBs and cover the services defined by the State's EHB benchmark plan at a 50% actuarial value. Copper Plans may have larger out-of-pocket maximums than the other metal level plans. Copper Plans are projected to have 17% lower premiums, on average, compared to Bronze Plans. These types of plans are expected to appeal to uninsured individuals and those who are not eligible for subsidies.
2. **Disease Management Plans** must include all ten EHB categories, be assigned a metal level, and maintain CSRs for eligible consumers. These plans will continue to be in the single risk pool and may not deny coverage based on health status; however, these plans are designed to provide specialized care and case management to help individuals better manage and prevent the progression of disease. Plans will have the flexibility to select the condition and design plans that address multifaceted high-cost conditions such as diabetes, cardiovascular disease, HIV/AIDS, or other complex health conditions. In order to provide enriched benefits to manage disease and still maintain affordability compared to the QHPs, these plans will be granted flexibility in meeting other QHP requirements. Examples of these flexibilities may include: more specialized networks (e.g., Center of Excellence), different deductibles for services related to disease management versus other non-disease-related healthcare services, and flexibility in meeting other service and copay as defined by the State's EHB benchmark plan as long as the overall plan meets the metal level cost-sharing requirements. Disease Management Plans are expected to primarily appeal to individuals who are currently buying in the individual market.

The federal risk adjustment program is expected to work similarly to how it does today for these two Eligible non-QHPs. The State may seek to certify additional plan types in future years based upon identified need, actuarial analysis, and approval from CMS and the Treasury Department in accordance with the STCs that would be issued by the Departments for this waiver upon approval.

The State will work closely with carriers, relevant state agencies, and key stakeholders to develop the appropriate tools and templates, establish clear instructions and data requirements, and provide adequate review and timelines for plan submission, review, and certification.

Program Design – State Subsidies

The State will develop state subsidy policies, processes, and the infrastructure to support administration, including technology solutions. Subsidies will be available for individuals selecting metal level QHPs and Eligible non-QHPs. Georgia will issue subsidies on behalf of

eligible individuals directly to carriers using a similar process and mechanism in practice by the federal government.

Starting in PY 2022, the first year of the Georgia Access Model, the State will implement a state subsidy structure for both QHPs and Eligible non-QHPs that is the same as the federal subsidy structure for individuals between 100% – 400% of the FPL. Georgia may seek to modify subsidies in future years based upon actuarial analysis, funding levels, and enrollment to better meet the needs of its residents. If the State decides to implement a modified subsidy structure in future years, it will provide CMS and the Treasury Department an updated subsidy structure, actuarial analysis, and description of how it meets the four guardrails for approval prior to implementation in accordance with the STCs that would be issued by the Departments for this waiver upon approval. The actuarial modeling in this waiver application assumes the State will continue to implement a subsidy structure that mirrors the federal subsidy structure for PYs 2022 – 2025.

By implementing a state subsidy, Georgia will be able to realize greater efficiencies than the FFE. For example, the State will leverage existing infrastructure to develop a new process to validate income using more recent employment data rather than using prior year federal tax return information as the FFE currently does. Doing so will enable a more accurate subsidy calculation at the time of open enrollment. In addition, as the State will be managing the eligibility determination process for both individual market subsidies and Medicaid, it will be able to more effectively manage the eligibility process across Medicaid and the individual market than is the case with the FFE. This is because the FFE uses an individual's prior year federal tax return information to calculate income while Georgia Access will use more recent income sources thus improving the accuracy of not just the subsidy calculation, but also Medicaid eligibility determination. Moreover, the FFE only checks for Modified Adjusted Gross Income (MAGI) Medicaid which does not include all categories of Medicaid within a State. Under Georgia Access, the State will also be in a better position to assess an applicant's eligibility for other categories of Medicaid, such as Aged, Blind and Disabled (ABD), because the process will be more tightly linked with the State's Medicaid eligibility system than is currently the case with the FFE.

The State will supplement federal pass through dollars in order to provide assistance to more eligible consumers than are currently purchasing on the FFE. To ensure responsible financial stewardship regarding state funds and maintain a balanced budget the State will implement a state program budget cap. Since 2017, Georgia has experienced a decline of approximately 35,000 purchasing individual coverage on the FFE; 92% of whom were not eligible for subsidies. The State anticipates it will be able to attract individuals back into the market due to increased access, education, and outreach by carriers and web-brokers as part of Georgia Access, as well as the additional availability of Copper Plan and Disease Management Plan options. The enrollment growth in Georgia Access was modeled under multiple scenarios as detailed in the actuarial certification.

The State's total 1332 program cap is estimated to be $255 million for PY 2022. The cap will be evaluated on an annual basis throughout the period of the waiver. The funding cap will cover the

State's required portion for both the Reinsurance Program and state subsidies under Georgia Access. The funding cap takes into account the potential for greater enrollment growth among subsidy-eligible consumers compared to who has left the market in recent years. The cap accounts for an enrollment increase of approximately 79,000 additional individuals beyond the number enrolled pre-waiver; 25,570 subsidy-eligible, and 53,430 unsubsidized for PY 2022. Based on these estimates, Georgia does not anticipate triggering the budget cap. If a larger number of subsidy-eligible residents enroll than anticipated, and the budget cap is triggered, the State will grant subsidies as funds come available on a first in, first out basis until the projected funding cap is reached. If open enrollment for subsidy-eligible individuals exceeds enrollment growth projections, those individuals applying after the enrollment cap is reached will still be able to enroll in plans, though not required to do so, and will be placed on a waitlist for subsidies. Individuals on the waitlist will be notified if and when funding is available and will qualify for a Special Enrollment Period. The State intends to develop a process for notifying residents prior to the subsidy cap going into effect and to streamline the redetermination and enrollment process for individuals moving off the waitlist.

The State does not expect that a waitlist will be necessary but has developed a process should the need arise. The budget cap would only be enforced if the State is successful in significantly increasing the number of insured individuals above current projections absent the waiver. Further, Georgia anticipates the cap will have minimal impact on consumers currently buying in the individual market as those consumers have market familiarity and the State will work with carriers to develop a transition plan and communications for consumers who have currently selected to auto-reenroll through the FFE. Based on prior market experience not all enrollees will be subsidy-eligible, thus the combination of flexible subsidies and the availability of low-cost plan options are critical to market success.

Program Design – State IT Infrastructure

Georgia plans to leverage its current IT infrastructure to provide eligibility and subsidy determination capabilities required for the Georgia Access Model. Georgia Gateway is the State's new and modern Integrated Eligibility (IE) system. The new IE system is used by agencies across multiple departments, includes over 6,000 users, and serves over three million residents. Georgia Gateway is used to determine eligibility for six benefit programs today, including all categories of Medicaid, CHIP, Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), Child Care, and Women, Infants, and Children (WIC). The system is web-based and is PPACA and Health Insurance Portability and Accountability Act (HIPAA) compliant.

The State will be able to leverage several existing Georgia Gateway system capabilities for determining eligibility for individual market subsidies, including:

- Enterprise Master Person Index which serves as central repository for identifying unique individuals across multiple state systems using an enterprise grade Master Data Management (MDM) platform
- Rules engine that conducts both financial and non-financial eligibility tests which is customizable based on policy using an enterprise grade Business Rules Engine platform

- Enterprise Service Bus (ESB) to connect multiple government solutions to a single, centralized services using an enterprise grade platform
    - Over 40 trading partners and 150 interfaces including but not limited to of relevance to these new programs
    - Interfaces with federal services including the Federal Data Service Hub (FDSH), the Social Security Administration (SSA), and the Systematic Alien Verification for Entitlements (SAVE) Program using real-time and batch services in order to automatically validate Social Security number, date of birth, citizenship, and unearned income
    - Interfaces with state services to validate residency
    - Interfaces with state services to validate earned income through the Georgia Department of Labor with enhancement to also integrate with Work Number
    - Interfaces with state services to validate unemployment insurance income data from the Georgia Department of Labor
- No-touch application processing
- Batch scheduler that runs automated processes
- Notices platform that generates thousands of notices nightly to the customers and includes a Go Green option for electronic notices supported by an enterprise grade content generation platform
- Case management solution
- Help desk for citizens and case workers
- Reporting and Dashboards

The following are capabilities that will need to be extended and configured from Georgia Gateway for Georgia Access:

- New and modified eligibility rules for individual market subsidies
- Secure interfaces with web-brokers
- Secure interfaces with carriers
- New and modified client correspondence
- New and modified reports and dashboards
- New and modified case management functionality

Projected Impact on Consumers

Instead of selecting and enrolling in plans through the FFE, consumers will enroll through private web-brokers or directly with carriers and still be eligible to receive state subsidies. For Georgians currently selecting QHPs and Catastrophic Plans on the FFE, the State anticipates the Georgia Access Model will generate an improved customer experience and more affordable premiums. The Georgia Access Model will improve the customer experience and affordable choices available to attract uninsured residents into the market. Georgia residents will be able to visit web-brokers to view the full range of insurance products available to them that are licensed and in good standing with the State. Consumers also will be able to view the premium and out-of-pocket costs with applied state subsidies prior to selecting a plan, as is the case with the FFE.

Table 8: Summary of Estimated Impact on Enrollment for PY 2022 with the Reinsurance Program and Georgia Access Model

PY 2022 Estimated Enrollment Impact	Enrollment Increase	Percent Increase
Reinsurance*	2,180	0.6%
Georgia Access – Subsidy-Eligible Enrollees	22,050	5.7%
Georgia Access - Non-Subsidy-Eligible Enrollees (Excluding Catastrophic)	12,950	3.3%
Georgia Access - Non-Subsidy-Eligible Enrollees (Catastrophic Plans)	180	0.0%
Total**	**37,360**	**9.6%**

* Projection slightly higher from Table 4 due to average premium reduction with increased enrollment with the Georgia Access Model
** Totals may not equal sum of parts due to rounding

Section II: Authorizing Legislation

The following two pieces of legislation grant the State of Georgia authority to submit and implement the Georgia Access Model contained within this Section 1332 Waiver application.

Senate Bill 106: Patients First Act

Governor Brian P. Kemp signed Senate Bill 106, The *Patients First Act,* into law on March 27, 2019 amending Article 7 of Chapter 4 of Title 49 and Title 33 of the Official Code of Georgia. The *Patients First Act* authorizes the Governor to submit one or more Section 1332 Waiver applications to the United States Secretaries of Health and Human Services and the Treasury Department on or before December 31, 2021 to pursue innovation strategies for providing residents with access to high quality, comprehensive and affordable health insurance while retaining basic protections for consumers.

The Patients First Act provides the Governor broad authority to submit Section 1332 Waivers which may address among other things: changes to premium tax credits and cost-sharing arrangements, creation of new health insurance products, implementation of healthcare delivery systems, and redefinition of essential health benefits. The *Patients First Act* authorizes the State to implement Section 1332 Waivers upon approval in a manner consistent with state and federal law and repeals all laws or parts of law in conflict with the *Patients First Act.* No additional legislation is required for the implementation and operations of the Georgia Access Model.

A copy of the *Patients First Act* may be found at http://www.legis.ga.gov/legislation/en-US/Display/20192020/SB/106 and is included within Appendix A: Authorizing Legislation.

House Bill 186: The Health Act

On April 25, 2019, Governor Brian P. Kemp signed House Bill 186 into law, amending Article 1 of Chapter 53 of Title 31 of the Official Code of Georgia. Part II of the legislation, *The Health Act,* establishes the Office of Health Strategy and Coordination within the Office of the Governor, which will oversee this program. The objective of this Office is to strengthen and support the healthcare infrastructure of the State through interconnecting health functions, sharing resources across multiple state agencies, and overcoming the barriers to the coordination of health functions.

The powers and duties of the Office of Health Strategy and Coordination include facilitating collaboration and coordination between state agencies, coordinating state health functions and programs, serving as a forum for identifying Georgia's specific health issues of greatest concern, and promoting cooperation from both public and private agencies to test new and innovate ideas. The Office is granted authority to form and dissolve advisory committees.

A copy of House Bill 186 may be found at http://www.legis.ga.gov/legislation/en-US/Display/20192020/HB/186 and is included within Appendix A: Authorizing Legislation.

Section III: Provision of the Law the State is Seeking to Waive

To implement its Georgia Access Model, Georgia is requesting to waive a series of provisions under both PPACA and the Internal Revenue Code (IRC). To fully implement this innovative consumer-centric model, it will be necessary to remove barriers that would prevent the operation of the Georgia Access Model within the State, the sale of non-QHPs alongside QHPs, and the creation of a state-specific subsidy structure. With these changes, Georgia will still be in full compliance with non-waivable sections of PPACA. Georgia is requesting the federal savings generated by the Georgia Access Model be passed through to the State for each year of the waiver. This amount is estimated at $2.6 billion for PY 2022. Georgia will use these funds, along with the State General Fund, to finance its state-based subsidies for eligible consumers and the statewide Reinsurance Program.

Georgia requests a waiver of Section 1311 which requires states to either operate a state-based exchange or participate in the FFE. In waiving 1311 in its entirety, Georgia will have the flexibility to determine the operations to support the Georgia Access Model, being relieved of the requirements of specific sections, such as 1311 (d)(2)(b)(1) which prohibit the availability of plans that are not QHPs. By waiving this section, Georgia can collaborate with private sector entities to develop the Georgia Access Model where the private sector delivers front-end services to consumers and the State determines eligibility and calculates and issues state-based subsidies.

Georgia seeks to waive Section 1402 (Reduced Cost-Sharing for Individuals Enrolling in a QHP) of PPACA and Section 36b of the IRC, in their entirety, to create a state subsidy program funded with federal pass through dollars and state funds. The State is seeking to waive Section 1402 as referenced on page 13 of CMS' November 29, 2019 Discussion Paper to Allow for Adjusted Plan Options, where CMS outlined that "states would request to waive provisions relating to the PTC under section 36B of the Code and section 1402 of the PPACA." The State will continue to provide the CSRs currently available to eligible consumers for Silver QHPs sold within Georgia's individual market.

Georgia is seeking to waive PPACA Section 1301(a) (Qualified Health Plan Defined) to allow non-QHPs to be sold through the participating private entities in the Georgia Access Model. Georgia is seeking to implement a more flexible program that will enable consumers to shop for and purchase coverage that meets their needs through the vehicle that is most convenient for them. The State will be responsible for setting standards and certifying plans eligible for subsidies. The Georgia Access Model has no impact on the other provisions of PPACA requiring basic consumer protections, such as those for individual with pre-existing conditions.

To allow for innovation in the individual market, Georgia is seeking to waive PPACA Section 1302(b)(c)(d) for Eligible non-QHPs sold through the Georgia Access Model. These provisions are not waived for QHPs sold within the State. Waiving 1302(c) and 1302(d) for Eligible non-QHPS will allow for the State to certify Copper Plans to provide residents with an additional QHP-like metal level option at 50% actuarial value. The State will require Copper Plans to meet all other QHP requirements. Waiving 1302(b) for Eligible non-QHPs will allow for market innovation to design and certify Disease Management Plans that provide specialized care and case management to help individuals better manage and prevent the progression of disease. Disease Management Plans will be assigned a metal level and will be required to cover the ten EHB categories but will have the flexibility within each category to define benefits to best serve members. Disease Management Plans will be required to maintain CSR benefits for eligible consumers in alignment with current QHP requirements for Silver Plans.

Section IV: Compliance with Guardrails: Data, Analysis, and Certifications.

The Reinsurance Program and Georgia Access Model meet the guardrails as described below.

Table 9: Reinsurance and Georgia Access Model Compliance with 1332 Guardrails

Guardrail	Impact of Reinsurance and Georgia Access Model
Comprehensiveness	There is no anticipated change to access to metal level QHPs and Catastrophic Plans as defined by Section 1302. Consumers will have increased access to individual products licensed and in good standing within the State. There is no anticipated erosion of the QHP market as subsidized members have no or minimal incentive to buy down to a Copper Plan given an existing metal level QHP is affordable (in some cases free) and provides a higher actuarial value; Copper Plans are included in the single risk pool and are subject to risk adjustment to offset selection issues across plans; and reinsurance reduces the risk of a carrier enrolling unhealthy members who incur higher claims.
Affordability	Premiums are estimated to decrease by an average of 10% statewide due to the Reinsurance Program. Metal level QHP premiums are expected to decrease an additional 1.9% due to the GA Access Model. The average annual premium decrease compared to the Without Waiver baseline over the 5-year waiver period and 10-year projection period is 13.5% and 14.3% respectively. Further, state subsidies will maintain the same subsidy structure as the federal subsidy structure for QHPs and eligible non-QHPs for PY 2022, keeping plans as affordable as without the waiver. The State may adjust the subsidy structure to make coverage more affordable for more Georgians in future years. The State will seek approval from CMS and Treasury before making such a change.
Scope of Coverage	Enrollment in the individual market is estimated to increase 0.4% in PY 2021 due to the Reinsurance Program only and 9.1% in PY 2022 due to the Georgia Access Model only. Enrollment is estimated to increase a total of 9.6% due to the combined impact of the Georgia Access Model and Reinsurance in PY 2022, 9.7% by PY 2025, and 9.7% by PY 2030.
Deficit Neutrality	Net federal spend is estimated to decrease by $264 million in PY 2021, $2.6 billion in PY 2022, $11.6 billion over the 5-year waiver period, and $29.5 billion over the 10-year projection period for the combined Reinsurance Program and Georgia Access.

- **Comprehensiveness:** With the implementation of the Georgia Access Model, consumers will have the same access to metal level QHPs and Catastrophic Plans as they do absent the waiver. In assuming the responsibility for plan certification, the State has the flexibility to certify additional types of coverage options eligible for state subsidies to meet the future needs of Georgians. In addition, consumers will have increased access through the Georgia Access Model to view a wide range of health insurance products offered by carriers that are licensed and in good standing with the State to meet their unique healthcare needs, such as Eligible non-QHPs, accident supplemental plans, critical illness plans, limited-benefit plans, short-term limited duration plans, vision, and dental.
- **Affordability:** The Reinsurance Program is projected to decrease premiums by 10% statewide, making the with waiver coverage more affordable to Georgians than would be absent the waiver. The Georgia Access Model is expected to increase the affordability of healthcare coverage as residents will be able to view and select from a greater range of available products. Starting in PY 2022, the State will implement a subsidy rate structure for QHPs and Eligible non-QHPs that is the same as the federal subsidy structure for individuals between 100% and 400% of the FPL, keeping access and affordability for metal level plans comparable to without the waiver. If the State decides to implement a modified subsidy structure in future years, it will provide CMS and the Treasury Department an updated subsidy structure, actuarial analysis, and description of how it meets the four guardrails for approval in accordance with the STCs issued by the Departments for this waiver upon approval. The availability of Copper Plans in Georgia Access will expand affordable options, particularly for consumers above 400% FPL and attract the currently uninsured into the market. The premium for a Copper Plan is expected to be 17% less, on average, than a Bronze Plan.
- **Scope of Coverage:** The Georgia Access Model is estimated to increase the number of individuals with healthcare coverage through expanded consumer channels, greater choice, and an improved customer service experience.
- **Deficit Neutrality:** The combined impact of the reinsurance program and waiver of Georgia's participation on the FFE and the APTC/PTC is projected to reduce federal spending and not increase the federal deficit. The implementation of the Reinsurance Program under Phase I will generate savings for the federal government which is requested as pass through to fund the State's Reinsurance Program. The transition to the Georgia Access Model in Phase II will result in additional savings which is requested as pass through to fund state-based subsidies. The State assumes the federal government will no longer collect the user fees on Georgia plans because the State will not be operating on the FFE and will not be using any FFE functions.

Table 10: Estimated Impact of the 1332 Waiver with Reinsurance Program PYs 2021 – 2025 and Georgia Access Model PYs 2022 – 2025 (Waiver Years 1 – 5)

With Waiver vs Without Waiver Comparison for each Year, including Reinsurance and Georgia Access	Year 1 (PY 2021)	Year 2 (PY 2022)	Year 3 (PY 2023)	Year 4 (PY 2024)	Year 5 (PY 2025)
Enrollment Growth	1,504	37,360	37,489	37,542	37,584
Enrollment Change (%)	0.4%	9.6%	9.7%	9.7%	9.7%
Premium Reduction	10.0%	14.1%	14.2%	14.4%	14.6%
State User Fees ($ Millions)	-	$105	$110	$115	$120
Cost to State ($ Millions)	$104	$111	$104	$112	$120
Net Pass Through Funding ($ Millions)	$264	$2,621	$2,760	$2,905	$3,058

Section V: Alignment with Principles

The Georgia Access Model aligns with and advances the principles discussed in CMS' 2018 Guidance as described below.

- **Increased Access to Affordable Private Market Coverage:** By enabling diverse plan types to be offered side-by-side with QHPs and Catastrophic Plans, consumers will be able to view the full range of options available to them within the State and select a plan that best suits their needs and price point. The goal is to increase healthcare coverage options across the State without eroding the QHP market to provide consumers with expanded options.
- **Encourage Sustainable Spending Growth:** Georgia's innovative Georgia Access Model promotes sustainable spending growth by infusing the system with market competition to drive more cost-effective health coverage and ultimately reduce federal spending commitments. By engaging the private sector to deliver front-end services, the State anticipates that Georgians will receive more direct and meaningful services at a lower cost.
- **Foster State Innovation:** The Georgia Access Model aligns market incentives as private entities are responsible for, and motivated to perform, effective and efficient customer outreach, education, and enrollment. This unique model fosters innovation by offering Eligible non-QHPs to provide a broader range of affordable and tailored plans to meet consumer needs. As an example, Disease Management Plans develop more tailored plan designs that address complex health conditions as well as address effective case management factors such as social determinants of health.
- **Promote Consumer-Driven Healthcare:** The innovative Georgia Access Model reimagines the marketplace experience, placing the consumer at the center. The Georgia Access Model creates a no wrong door approach by allowing the consumer to purchase plans on the open market that best meet their needs while also receiving state subsidies, if eligible. Vendors across the ecosystem – from web-brokers to carriers – are encouraged to participate in the market and are incentivized to tailor their outreach and communication efforts to meet the unique needs of the customers. Local brokers may discuss plan options with residents, and if asked, help navigate web-broker or carrier websites. This model creates a competitive environment based

on the consumer experience – fostering growth and innovation in the private market to increase consumer tools, information, and customer service to help individuals in their healthcare coverage journey.

Section VI: Reporting Targets

The Office of Health Strategy and Coordination will submit all required quarterly, annual, and cumulative reports as required by 45 CFR 155.1324. The reports will demonstrate Georgia's ongoing PPACA compliance and provide detailed information showing financial data with and without waiver.

As required by 45 CFR 155.1324(a), Quarterly Reports will be submitted. The reports will include, but not be limited to, information on ongoing operational challenges and corrective action plans and/or results.

As required by 45 CFR 155.1324(b), the Annual Report will be submitted within 90 days of year end. Within 60 days of receipt of comments from the Secretary of HHS, Georgia will submit to the Secretary of HHS the final Annual Report for the waiver year. The draft and final Annual Reports will be published on the State's public website within 30 days of submission to and approval by the Secretary of HHS.

The annual report, will include, but not be limited to:

- The current state and the progress of the Section 1332 Waiver to date
- Data on the State's compliance with the guardrails in PPACA section 1332(b)(1)(A)-(D), 31 CFR 33.108(f)(3)(iv)(A)-(D), and 45 CFR 155.1308(f)(3)(iv)(A)-(D)
- Premiums for the Second Lowest Cost Silver Plan under the Section 1332 Waiver and an estimate of the premium as it would have been without the waiver for a representative consumer in each rating area
- A summary of the public forum required by 31 CFR 33.120(c) and 45 CFR 155.1320(c) and a summary of actions taken in response to public input
- Funding received and subsidies paid

Section VII: Implementation Plan and Timeline

The State will engage in ongoing collaboration across state agencies, CMS, carriers, and brokers in order to minimize disruption and streamline the transition to Georgia Access for consumers in PY 2022. The State will work with CMS, carriers, and web-brokers to develop a communication and noticing strategy to inform current FFE consumers of their options for enrollment in PY 2022. The State will develop a robust implementation plan and centralize project management responsibilities within the Office of Health Strategy and Coordination to coordinate activities.

The implementation plan will include key activities, timelines, and milestones for:

- Detailed program design
- Plan certification
- IT implementation
- Communications with carriers and brokers
- Transition plan for current FFE auto-reenrolled consumers

- Transition communications and activities for current consumers, including auto-reenrolled consumers
- Transition communications for residents, stakeholders, and community organizations
- Budgeting and funding
- Reporting

The following table outlines the estimated high-level implementation timeline and key milestones for Georgia Access.

Table 11. High-Level Implementation Timeline for Georgia Access Model

End Date	Milestone
Section 1332 Waiver Application Process	
11/4/2019	Publish draft Section 1332 Waiver on the State website and notify the public
11/4/2019	Begin public comment period
12/3/2019	Complete public hearings facilitated in six locations across the State
12/3/2019	End public comment period
12/23/2019	Submit final Section 1332 Waiver application to HHS and Treasury
6/1/2020	Target to receive approval from HHS and Treasury for Phase II
Legal Authority and Governance	
3/27/2019	Establish appropriate state legal authority with signing of *Patients First Act*
4/25/2019	Establish Office of Health Strategy and Coordination authorized by HB 186
5/1/2020	Establish governance structure to support implementation
9/1/2020	File proposed rules as applicable
Design	
5/1/2020	Complete implementation plan
7/1/2020	Complete detailed program design
8/1/2020	Develop noticing strategy for issuers and the State
9/1/2020	Define approval requirements for brokers and carriers selling products
9/1/2020	Finalize program policies
Plan Certification & Rate Review	
10/1/2020	Establish carrier certification criteria and standards
11/1/2020	Publish standards and issuer methods of submission
11/1/2020	Establish carrier review and approval timeline
3/1/2021	Certify carriers for PY 2022
5/1/2021	Receive initial rate submissions for PY 2022
9/15/2021	Issue final approval for plan rates for PY 2022
Information Technology (IT)	
4/1/2020	Develop initial IT implementation roadmap
5/1/2020	Define requirements for integration with web-brokers and carriers
6/12/2020	Complete requirements validation
9/4/2020	Complete system detailed design
1/22/2021	Complete system development
7/1/2021	Receive enrollment data from CCIIO
9/17/2021	Complete system integration and user testing
9/17/2021	Complete system security and compliance reviews

End Date	Milestone
10/22/2021	Complete system implementation
11/1/2021	System go-live
Staffing and Operations	
7/1/2020	Identify staffing and operational needs for the program
8/1/2020	Define operating model
Funding	
4/1/2020	Receive approval for State Fiscal Year (SFY) 2021 budget
8/1/2020	Draft projected budget for SFY 2022
3/1/2021	Develop payment schedule to issuers based on parameters provided by CMS
8/1/2021	Draft projected budget for SFY 2023
9/15/2021	Send HHS and Treasury final Second Lowest Cost Silver Plan rates
11/01/2021	Receive projections for federal pass through funding for PY 2022
4/30/2022	Receive full federal pass through funding for PY 2022
Communication and Outreach	
7/1/2020	Define coordination needs and communication strategy with carriers and brokers
12/1/2020	Develop communication strategy and plan for transition in PY 2022
6/1/2021	Develop transition communications for current consumers, including auto-reenrolled consumers
6/1/2021	Develop transition communications for the public and community organizations
Year One Implementation	
11/1/2021	Open enrollment begins
12/15/2021	Being issuing premium assistance payments for eligible consumers
1/1/2022	Health coverage effectuated for PY 2022

Section VIII: Public Notice, Comment Process, and Communications Plan

Public Notice

Georgia used multiple mechanisms to notify the public about the 1332 Waiver application and provided ample opportunity for the public to provide feedback both via oral testimony and written comment. The State's public notice and public comment procedures are informed by, and comply with, the requirements specified in 31 CFR 33.112 and 45 CFR 155.1312.

On October 31, 2019, Governor Kemp publicly announced the 1332 Reinsurance Program and Georgia Access Waiver application. The official notice from the Governor was released on November 4, 2019 to commence the 30-day state public comment period which closed on December 3, 2019. The notice was distributed statewide, and on November 4, 2019, the State posted the public notice, including a comprehensive description of the application as well as the locations of the public hearings, on a dedicated webpage for the *Patients First Act* at, https://medicaid.georgia.gov/patientsfirst. The notice was shared via social media, including Facebook and Twitter.

Electronic copies of the waiver application and all presentations related to 1332 Waiver were available on the *Patients First Act* webpage throughout the comment period. The public notice provided instruction for any individual to submit written feedback to the State via an electronic

intake portal on the dedicated webpage or by USPS mail. A full copy of the public notice is included as Appendix D of this waiver application.

At the onset of waiver development, the State convened a group of stakeholders comprised of individuals and organizations representing a variety of stakeholders across Georgia's healthcare landscape. The stakeholders were engaged during the waiver development process, as the State considered changes to the individual marketplace to increase access across the state, lower the cost of healthcare for working Georgians, and improve quality of care. The State emailed the broad range of interested parties/stakeholders about the public notice and waiver application, and the State assembled the stakeholder group on November 4, 2019 to provide an overview of the draft waiver. This meeting was open to the public. A list of stakeholders notified about this meeting is included as Appendix E of this waiver application, and a copy of the stakeholder presentation is included as Appendix F of this waiver application.

In addition to the stakeholder meeting, the 1332 Waiver was presented to a public legislative committee hearing, the Joint House and Senate Health and Human Services Committee, on November 5, 2019. This legislative hearing was open to the public, livestreamed online, and is available for viewing at https://medicaid.georgia.gov/patientsfirst.

Public Comment Process

The federal regulations require two public hearings; however, the State held six formal public hearings in geographically dispersed regions of the State during the public comment period. This was done to maximize the opportunities for residents and stakeholders to be heard. These hearings took place as follows:

- **Savannah, Georgia**
  Thursday, November 7, 2019, 1:00 p.m. EST
  Hoskins Center for Biomedical Research, Mercer Auditorium
  1250 East 66th Street, Savannah, Georgia 31404

- **Macon, Georgia**
  Wednesday, November 13, 2019, 1:00 p.m. EST
  Mercer University School of Medicine, Auditorium
  1550 College Street, Macon, Georgia 31207

- **Bainbridge, Georgia**
  Thursday, November 14, 2019, 1:00 p.m. EST
  Southern Regional Technical College
  The Charles H. Kirbo Regional Center, Dining Room 112
  2500 East Shotwell Street, Bainbridge, Georgia 39819

- **Gainesville, Georgia**
  Monday, November 18, 2019, 1:00 p.m. EST
  Gainesville Civic Center, Chattahoochee Room
  830 Green Street, Gainesville, Georgia 30501

- **Rome, Georgia**
  Thursday, November 21, 2019, 1:00 p.m. EST
  West-Rome Baptist Church, The Well Building
  914 Shorter Avenue, Rome, Georgia 30165

- **Kennesaw, Georgia**
  Friday, November 22, 2019, 2:00 p.m. EST
  North Cobb Regional Library, Multi-purpose Room
  3535 Old 41 HWY, Kennesaw, Georgia 30144

Each of the six public hearings followed the same format, beginning with an overview of the 1332 Waiver proposal, followed by the collection of oral public comment. A court reporter transcribed and entered into the public record all verbal comments presented during each of the public hearings. The transcripts from each of the public hearings are available on a dedicated webpage on the *Patients First Act* website, https://medicaid.georgia.gov/patientsfirst. A sign language interpreter was available at all the hearings for the individuals present, and individuals requiring special accommodations, including auxiliary communicative aids and services during these meetings could request such accommodations in advance of the meeting. A brief overview of the hearings is provided below. The hearing presentation is included as Appendix G.

Summary of Public Hearings

A total of 95 individuals attended the six hearings hosted across the State. Thirty-nine individuals gave oral testimony. Speakers spoke on behalf of themselves as Georgia residents and the following organizations: Step Up Savannah, Georgia Legal Services, Georgia Council on Substance Abuse, Georgians for a Healthy Future, Northeast Georgia Health System, Georgia Interfaith Public Policy Center, Georgians for a Healthy Future, Georgia Budget and Policy Institute, Georgia Advocacy Office, American Lung Association, 9to5, Alliant Health Plans, CCC Inc, YWCA of Greater Atlanta, GOTA, Community Catalyst, NAMI, 159 Georgia Together, Recovery Bartow, New Georgia Project, Georgia Cystic Fibrosis Foundations, National MS Society, The Carter Center, Therapy Works PC. A copy of the oral testimony may be found on a dedicated webpage on *Patients First Act* website, https://medicaid.georgia.gov/patientsfirst.

Total Comments Received

Following the public comment period, all written and oral comments were cataloged, summarized, and organized. The State gave all comments received through the various mechanisms the same consideration. Additional information regarding the comments received regarding the 1332 Waiver, as well as the State's response to those comments is outlined below.

In total, the State received 946 public comments during the public comment period, including 907 written comments and 39 oral testimonies across the six public hearings. The State reviewed all comments and appreciates the public input received from Georgia residents and interested organizations. A summary of the comments received, and the State's responses, are detailed below, including modifications made to the waiver application as a consequence of the comment period.

The following summary combines the testimony offered at the public hearings as well as the comments received by the State through the comment portal and via USPS mail. To address public input, comments are summarized by topic and are followed by a response. A complete collection of all public comments submitted is available on a dedicated webpage on *Patients First Act* website, https://medicaid.georgia.gov/patientsfirst.

Georgia Access Model Comments

Comments received addressed multiple provisions in the waiver application, offering support, opposition, and/or suggestions. The comments received about the Georgia Access Model have been categorized into the following topics:

- Consumer Experience
- Eligible non-QHPs
- Program Budget and Funding
- Operations Considerations
- Other

Consumer Access:

Summary of Comments: Commenters expressed concerns that the Georgia Access Model will be more difficult to navigate for consumers than the FFE. Some commenters asked what communications will be available to help individuals understand which plans are PPACA compliant. Others expressed concerns that consumers would have to navigate multiple websites to find all the plans available to them and the information they need. Some commented that brokers are a biased source of information and will not help individuals choose the plans that are best for them and/or charge additional fees to consumers. Some commenters expressed concerns that multiple enrollment sites will place an increased burden on individuals whose first language is not English.

State Response: The Georgia Access Model creates a no-wrong-door approach for the consumer to purchase a plan that best meets their needs and gain access to subsidies, if eligible. Georgia has designed a process that provides individuals additional enrollment options and simplifies the enrollment process through an enhanced customer service shopping experience, selection, and enrollment. To improve access, OCI will provide consumers with a single source of information on where to access and enroll in health insurance coverage. Through the existing OCI website, the State will provide a list of approved carriers and web-brokers that are participating in Georgia Access. In addition, HealthCare.gov, the existing FFE Georgia platform, will provide consumers with a link to the State OCI website if an individual attempts to enroll using a Georgia location. This will be part of the transition strategy that is intended to provide consumers with the necessary information to shift from using the FFE to enrolling through the new multi-channel enrollment options available via Georgia Access. Web-brokers will leverage best practices and leading industry e-commerce standards to continually innovate and improve upon the customer service experience. The State strongly believes consumers will see an enhanced and simplified consumer experience in the Georgia Access Model compared to the FFE as web-brokers offer additional tools and decision support to help consumers navigate choices. Web-brokers often provide enhanced services, such as multi-lingual support and tailored search functions. Today web-brokers are incentivized to provide the best possible consumer experience

to retain their consumer base year over year. Brokers will continue to be compensated as is the common practice in the market today.

The State will examine and consider industry best practices, including those for Enhanced Direct Enrollment (EDE) providers, and provisions outlined within 45 CFR § 155.220 to ensure that consumers have comprehensive and secure access to available plan options. Participating web-brokers will be required to display all available QHPs and clearly differentiate for consumers which plans are subsidy-eligible and which are not. Web-brokers will be prohibited from providing financial incentives for specific plan selection in alignment with federal regulations.

Summary of Comments: Some commenters expressed concerns that PPACA-compliant plans will no longer be available in the State or that consumers will lose access to the benefits and services covered by these plans. Some commenters worried QHPs will become more expensive, or that children will not be able to stay on their parents' health plans up to 26 years of age.

State Response: Consumers will have access to the same metal level QHPs and Catastrophic Plans sold today. The State does not anticipate the cost of these plans increasing with the introduction of two new Eligible non-QHPs for PY 2022, Copper Plans and Disease Management Plans, and estimates a reduction in overall premiums. The State will continue to maintain the requirement for QHPs and Eligible non-QHPs to allow children to stay on their parents' insurance until 26 years of age. One of the goals of the Georgia Access Model and providing subsidies to Eligible non-QHPs is to spur innovation to better meet the needs of Georgians while maintaining consumer access to plans offered through the FFE today.

Eligible non-QHPs

Summary of Comments: Commenters expressed concerns that allowing Eligible non-QHPs to potentially eliminate an EHB category would cause adverse selection with healthy individuals migrating to cheaper plans, driving up the cost of coverage for individuals with pre-existing conditions who need to buy richer plans. Some commenters expressed concerns that the State would be subsidizing sub-standard plans. Some commenters expressed concerns that the State would not enforce mental health parity.

State Response: Based on the feedback received from comments, the State has provided further detail on the consumer and regulatory requirements of Eligible non-QHPs. The goal of the Georgia Access Model is to spur innovation in the individual market while maintaining access to QHPs and ensuring consumer protections for individuals with pre-existing conditions. The State will continue to certify metal level QHPs and Catastrophic Plans that will be required to maintain all the same requirements and protections for plans offered on the FFE today. In addition, the State will certify Eligible non-QHPs to provide residents with expanded access to affordable health care coverage options.

Eligible non-QHPs will be required to maintain many of the same requirements and consumer protections as QHPs, such as no pre-existing conditions exclusions and no annual or lifetime limits. The State will also maintain mental health parity requirements for QHPs and Eligible non-QHPs in accordance with federal regulations under *42 USC 300gg-26: Parity in mental health and substance use disorder benefits* which prohibits group and individual market plans and health issuers that provide mental health or substance use disorder benefits from imposing less favorable benefit limitation on those benefits than on medical/surgical benefits.

For PY 2022, the State is considering certifying Copper Plans and Disease Management Plans. Both of these Eligible non-QHPs will be required to cover all ten EHB categories. Copper Plans will look like the other QHP metal levels and will be required to meet QHP requirements, including preventive services and network adequacy, but at a 50% actuarial value. Disease Management Plans must include all ten EHBs and be assigned a metal level. These plans will continue to be in the single risk pool and may not deny coverage based on health status. These plans will be granted flexibility within QHP requirements and benchmark plan requirements (while still needing to offer the ten EHB categories) in order to innovate to meet consumer needs specific to complex health conditions. These plans will be designed to provide specialized care and enriched benefits to help individuals better manage and prevent the progression of specific diseases or conditions. If the State seeks to certify additional Eligible non-QHP types in future years based upon identified need, the State will inform the Departments of proposed changes to the program with an actuarial analysis, and submit for approval from CMS and the Treasury Department, in accordance with the Specific Terms and Conditions (STCs) that would be issued by the Departments for this waiver upon approval.

Other non-QHPs

Summary of Comments: Some commenters expressed concerns about allowing access to non-PPACA compliant plans, such as Short-Term Limited Duration Plans.

State Response: Non-QHP products are available in the market today, although consumers must navigate different sites to be able to find all the health care options available to them. Non-QHPs will be accessible through Georgia Access; however, only consumers purchasing QHPs and Eligible non-QHPs will be eligible for subsidies.

Program Budget:

Summary of Comments: Commenters expressed concerns about the State program budget cap and the potential for placing eligible individuals on a waitlist for subsidies. Some commenters were concerned the cap would limit the amount of benefits available to an enrollee. Others commented that the program budget was too expensive and had a limited impact on consumers. Other commenters asked how the State plans to fund the program.

State Response: The State understands and appreciates the concerns about the State's budget cap and the potential impact on consumers. The program cap does not impact the availability of benefits for enrollees. The State is setting a total 1332 program budget cap to ensure responsible financial stewardship of State funds and to maintain a balanced budget as required by the Georgia Constitution. The cap is being set above the funding required to cover the number of individuals who are receiving subsidies through the FFE before the waiver, with funding projected to accommodate an enrollment growth up to 79,000 new enrollees, with 25,570 of those subsidy-eligible for PY 2022. The cap is for state funding that is in addition to the pass-through funding from the federal government and will be evaluated annually.

The FFE continued to see declining enrollment over the last few years, both in Georgia and nationally. Georgia has experienced a 22% decline in consumers selecting a plan on the FFE since 2016. From 2017 – 2019, approximately 35,000 consumers left the market. Without course correction, the State believes the individual market will continue to erode and further drive individuals out of the market, leaving many uninsured. The Georgia Access Model offers an

innovative solution to retain and attract individuals back into the individual market. The cap for PY 2022 was set with an aggressive enrollment growth projection for subsidy-eligible individuals. The State does not expect to reach the budget cap, nor does it anticipate that a waitlist for subsidies will be necessary but has developed a process should the need arise. Indeed, the cap will only be invoked if the number of insured individuals with subsidies increases significantly compared to projections absent the waiver.

Funding for the 1332 waiver will be provided from the State General Fund. The State will consider and evaluate other funding options during implementation.

Operational Considerations:

Summary of Comments: Comments and suggestions were received regarding operational aspects of Georgia Access. Some comments expressed concerns with the staffing and budget needed for the Office of Health Strategy & Coordination. Others expressed concerns with the IT infrastructure required and the need for an electronic eligibility hub for consumers, carriers, and web-brokers. Others commented that they appreciated simplicity of the required application format for the FFE. Some commenters asked how the State can guarantee the availability of QHPs. Others voiced concerns on the transition for individuals currently buying on the FFE,

State Response: The State appreciates the operational considerations and will take these comments into account during program design and operations. Staffing and resources for the Office of Health Strategy & Coordination will be allocated by the General Assembly as part of the state budget. The State plans to leverage its current IT infrastructure, where possible, to build the eligibility and subsidy determination capabilities required for the Georgia Access Model and anticipates establishing an electronic eligibility services hub for integration with carriers and web-brokers.

The State will detail requirements for offering Eligible non-QHPs during operations as part of plan certification requirements. The State does not anticipate carriers leaving the QHP market due to the introduction of Copper Plans and Disease Management Plans. Copper Plans are expected to attract new individuals and/or individuals who have left the market in recent years by providing more affordable options. The State does not anticipate carriers offering QHPs in the market today having an incentive to offer only Copper Plans, as there will remain an attractive market for QHPs. Eighty-five percent of Georgia's individual market consumers receive subsidies today. These subsidized consumers have little or no incentive to buy down to a Copper Plan given that for most subsidized consumers an existing metal level QHP is affordable and provides a higher actuarial value. If carriers elected to not offer other metal levels, they would be forgoing a large market of enrollees. In addition, the federal risk adjustment program accounts for disparities in health of enrollees across carriers in the market.

Similarly, the State does not anticipate Disease Management Plans to disrupt the QHP market as these plans will be assigned metal levels, participate in the single risk pool, and target individuals with complex health needs. Enrollees in these plans are expected to be a small percentage of the overall QHP market, maintaining incentives for carriers to continue to offer QHPs for the broader individual market.

Web-broker requirements, including application requirements, will also be detailed during operations. It is the intention of the State to allow the private market flexibility to innovate to

enhance the consumer shopping and enrollment experience. However, all market participants must adhere to state requirements for consumer access and transparency, such as requiring web-brokers to display all available QHPs and clearly differentiating for consumers which plans are eligible for subsidies and which are not.

The State will develop a robust implementation plan and work in coordination with CMS, web-brokers, and carriers to develop a transition and communication strategy for individuals currently buying insurance through the FFE. The State anticipates more individuals will gain coverage through Georgia Access than are currently buying on the FFE.

Other:

Summary of Comments: Some commenters expressed concerns with changes to the subsidy structure that would negatively impact low-income Georgians and the elimination of CSRs.

State Response: The State plans to implement a subsidy structure for PY 2022 that mirrors the federal structure for individuals with incomes between 100 – 400% of the FPL and will maintain CSRs for eligible individuals. If the State seeks to modify the subsidy structure in future years based upon identified need, the State will inform the Departments of proposed changes to the program with an actuarial analysis and submit for approval from CMS and the Treasury Department, in accordance with the STCs that would be issued by the Departments for this waiver upon approval.

Summary of Comments: Some commenters were generally opposed to the waiver and suggested the State instead use funding to expand Medicaid to 138% of the FPL.

State Response: Section 1332 Waivers address the individual health insurance market and do not address Medicaid. The authorizing legislation, *Patients First Act*, codified at OCGA §33-1-26 authorizes the Governor to submit a Section 1332 Waiver. OCGA §49-4-142.3 authorizes DCH to submit an 1115 Medicaid waiver for new populations up to 100% of the FPL. The legislation does not permit Medicaid expansion to newly eligible populations up to 138% of the FPL. The separately proposed Medicaid 1115 Demonstration Waiver provides a new Pathway for Medicaid coverage for individuals up to 100% of the FPL. Individuals between 100% and 138% of the FPL have the option to purchase individual health insurance with premium subsidies and CSRs.

Changes to the Waiver

The State appreciates the public's input on the Georgia 1332 Waiver. Based on comments received, both written and those given through oral testimony and other channels of feedback, the State has proposed the following changes to the Waiver:

- Added requirements for Eligible non-QHPs. See *Program Design – Plan Certification*.
- Defined the two types of Eligible non-QHPs the State is considering certifying and subsidizing for PY 2022, Copper Plans and Disease Management Plans. See *Program Design – Plan Certification*.
- Added requirements for web-broker participation within Georgia Access. These are similar to the requirements that CMS established for EDE vendors, including

requirements to: display all QHPs in the market available to consumers; provide clear and transparent language to differentiate between QHP and non-QHP plans and subsidy-eligible plans; and not provide financial incentives, such as rebates or giveaways. See *Program Design – Access.*

- Clarified that OCI will provide consumers information on individual health care coverage options available within the State and how to access and enroll in that coverage through the existing OCI website. If a Georgia resident seeks coverage through HealthCare.gov, CMS will redirect them, via hyperlink, to the State OCI website. CMS currently provides this service to all non-FFE states. See *Program Design – Access.*
- Added information on the IT infrastructure the State plans to leverage to support Georgia Access. See *Program Design – State IT Infrastructure.*
- Added detail for the Georgia Access Model implementation plan and timeline. See *Implementation Plan and Timeline.*

Tribal Consultation

The State of Georgia does not have any Federally recognized Indian American tribes within its borders and thus has not established a separate process for consultation with any tribes with respect to this Section 1332 Waiver application. The State intends to maintain the eligibility and cost-sharing exemptions provided to American Indians for QHPs under the FFE.

Section IX: Additional Information

Administrative Burden for Individuals, Issuers, or Employers

The Georgia Access Model will not cause additional administrative burden to individual consumers. To the contrary, consumers seeking to gain coverage through Georgia Access will receive assistance that is more localized and tailored to regional and individual needs through private entities. Georgia has designed a process that provides individuals more enrollment options and simplifies the enrollment process through an enhanced customer service shopping experience, selection, and enrollment. OCI will maintain a webpage linking to participating carriers and web-brokers within the Georgia Access Model to support consumers.

Private entities – web-brokers and carriers – will assume additional administrative burden with the Georgia Access Model as they will be operationally and financially responsible for consumer-facing services, including consumer outreach and education, decision support, plan selection and enrollment, and issue resolution. Many of these entities already provide these services today and the additional administrative burden is expected to be minimal. Participating entities will experience additional administrative burden as a result of the development and implementation of back-office functionality to interface with the State's eligibility calculation technology system and adhere to data security standards.

For information on state and federal responsibilities and administrative burden, see Phase II: Georgia Access Section X: Administration.

Impact of PPACA Provisions Not Being Waived

The Georgia Access Model is not projected to impact other provisions of PPACA which are being waived.

Impact on Residents Who Need to Obtain Healthcare Services Out-of-State

Because Georgia shares borders with Alabama, Florida, North Carolina, South Carolina, and Tennessee insurer service areas and networks that cover border counties generally include providers in those states, especially in areas where the closest large hospital system is in the border state. Granting this waiver request will not impact insurer networks or service areas that provide coverage for services performed by out-of-state providers.

Providing the Federal Government Information to Administer the Waiver

Georgia will provide the federal government all necessary information to administer the waiver as defined by the reporting requirements (see Phase II: Georgia Access Section VI). In addition, the State will keep CMS apprised of substantial changes to the program or timelines for implementation.

Guarding Against Fraud, Waste, and Abuse

Georgia is committed to administering the Georgia Access Model with the appropriate oversight and processes to guard against fraud, waste, and abuse. Implementation and management of the Georgia Access Model will require coordination and effective communication across multiple state agencies, private sector entities, and residents.

The State will administer the eligibility calculation and financial management of subsidies under the Georgia Access Model. The State will establish the appropriate internal controls to safeguard public funds, including ensuring subsidy payments are only made on behalf of those deemed eligible for the program.

In addition, Georgia is committed to protecting the integrity and confidentiality of consumers' personal information. The security of data shared between systems is paramount. Georgia will put the appropriate controls in place with private sector entities to ensure the accurate and secure integration of data.

OCI will continue to be responsible for the activities it oversees today, including regulating and ensuring compliance of licensed plans sold within the State; monitoring the solvency of all issuers; performing market conduct analysis, rate setting, examinations, and investigations; and providing consumer protection services. The State will monitor web-brokers to ensure compliance with all state requirements, including the provision of plan and subsidy information to help consumers to make informed choices.

The federal government will be responsible for calculating the APTC/PTC savings and pass through funding from this waiver and ensuring the waiver continues to meet statutory guardrails.

Information on Groups Convened to Develop This Waiver

The State formed an Advisory Council of healthcare stakeholders across the State to inform the waiver development. Hospital systems, carriers, associations, advocacy groups, government

agencies, and legislators were represented on the Advisory Council. A kick-off meeting was conducted on July 18, 2019 and materials made available to the public on https://medicaid.georgia.gov/patients-first-act.

The State also held a series of meetings with carriers from August 18 – 21, 2019 to better understand the current challenges in the individual market.

Section X: Administration

The following point of contact will be responsible for ensuring compliance with all Section 1332 Waiver provisions, submitting required reports, and serving as the primary contact for all waiver-related issues and concerns. Should this contact change, the State will inform CMS and the Treasury Department.

Name: Ryan Loke
Title: Office of the Governor, Special Projects Coordinator
Telephone Number: 404-606-6031
Email address: Ryan.Loke@georgia.gov

Waiver of Sections 1301(a), 1311, 1402, and IRC 36 (b) to implement the Georgia Access Model will result in additional administrative responsibility for the State of Georgia, including plan certification, subsidy calculation and management, and oversight and compliance of private sector entities. These new responsibilities are anticipated to be less than 1% of the full cost of the program and will mainly reside within the Office of Health Strategy and Coordination and OCI. The State will largely rely on making enhancements to existing technology platforms and business processes for the majority of the new financial, regulatory, and eligibility-related responsibilities. Moreover, when taking into consideration the program's high-level of responsiveness to state-specific health coverage needs, the benefit to Georgians outweighs the burden of the additional tasks and processes required.

The Georgia Access Model will relieve the federal government of the marketplace-related administrative burden it bears today. The federal government will continue to host and operate the FDSH for purposes of subsidy eligibility data validation; however, because data validation services are provided to all states that currently operate state-based marketplaces as well as to state Medicaid eligibility systems at no charge to states, Georgia expects the federal government's cost and administrative burden in this regard to remain fixed. Waiving Section 36b would necessitate changes to IRS operations in that the agency would calculate and facilitate the transfer of APTC/PTC pass through funds to the State rather than paying carriers directly; however, given personnel and processes are already in place to calculate and disburse funds, Georgia anticipates no additional administrative impact to the federal government in this regard. The following table provides a high-level overview of the responsibilities and aligned entities in the Georgia Access Model.

Table 12: Responsibilities by Entity in Georgia Access Model

	Carriers	Web-Brokers	Individual Brokers	State	Federal
Plan Certification				X	
Web-broker Licensing				X	
Plan Shopping and Selection	X	X	X		
Customer Education and Outreach	X	X	X		
Customer Service	X	X	X		
Plan Enrollment	X				
Subsidy Eligibility Calculation				X	
Subsidy Payment Disbursement				X	
Premium Aggregation	X				
APTC Pass Through Funding Calculation and Disbursement					X
Call Center Operations	X	X			
Complaint Line				X	
Subsidy Appeals				X	
Verification of Citizenship, Residency, and Identity				X (FDSH interface)	

Appendix A: Letter of Support

OFFICE OF LIEUTENANT GOVERNOR
240 STATE CAPITOL
ATLANTA, GEORGIA 30334

GEOFF DUNCAN
LIEUTENANT GOVERNOR

December 2, 2019

Mr. Ryan Loke
Office of the Governor
203 State Capitol
Atlanta, Georgia 30334

Dear Ryan:

As the public comment period for the Patients First Act Waiver Demonstration concludes, I wanted to reiterate my continuing support of this effort by Governor Kemp. Our existing healthcare environment in Georgia is burdened by systemic defects. As such, improved access and lower costs for quality healthcare will be permanently achieved only with purposeful, structural change. The innovative and unique proposed integration of the Georgia Pathways to Coverage Waiver with the State Relief and Empowerment Waiver provides an exciting roadmap for effective system reform and necessary relief for patients.

The Patients First Act is an integral part of a larger policy initiative to empower Georgians to improve health. Other legislation enacted in 2019 and legislative opportunities likely to present themselves in the upcoming session of the Georgia General Assembly no doubt illuminate not only the critical importance of our work to the health and welfare of our State, but as importantly underscore the necessity of the novel framework embodied collectively in the waiver proposals. The Department of Treasury and Centers for Medicare & Medicaid Services should act as quickly as possible to grant the application, as approval of the Patients First Act Waiver Demonstration would provide Georgia with necessary tools and flexibility to meet the healthcare needs of its citizens in the 21st Century.

Sincerely,

Geoff Duncan
Lt. Governor

(404) 656-5030 • https://ltgov.georgia.gov

Senate Bill 106

By: Senators Tillery of the 19th, Strickland of the 17th, Miller of the 49th, Dugan of the 30th, Kennedy of the 18th and others

AS PASSED

A BILL TO BE ENTITLED

AN ACT

To amend Article 7 of Chapter 4 of Title 49 and Title 33 of the Official Code of Georgia Annotated, relating to medical assistance and insurance, respectively, so as to authorize the Department of Community Health to submit a Section 1115 waiver request to the United States Department of Health and Human Services Centers for Medicare and Medicaid Services; to authorize the Governor to submit a Section 1332 innovation waiver proposal to the United States Secretaries of Health and Human Services and the Treasury; to provide for implementation of approved Section 1332 waivers; to provide for expiration of authority; to provide for legislative findings; to provide for related matters; to provide for a short title; to provide for an effective date; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

PART I

SECTION 1-1.

This Act shall be known and may be cited as the "Patients First Act."

PART II

SECTION 2-1.

Article 7 of Chapter 4 of Title 49 of the Official Code of Georgia Annotated, relating to medical assistance generally, is amended by adding a new Code section to read as follows:

"49-4-142.3.

The department shall be authorized to submit a waiver request, on or before June 30, 2020, to the United States Department of Health and Human Services Centers for Medicare and Medicaid Services pursuant to Section 1115 of the federal Social Security Act, which may include an increase in the income threshold up to a maximum of 100 percent of the federal poverty level. Further, upon approval of the waiver, the department shall be authorized to

take all necessary steps to implement the terms and conditions of the waiver without any further legislative action."

PART III

SECTION 3-1.

The General Assembly finds that:

(1) For Georgians in recent years, private sector health insurance choices have decreased and the costs of insurance coverage have increased;

(2) Through the granting of Section 1332 innovation waivers, the federal government allows states to pursue innovative strategies for providing their residents with access to high quality, comprehensive, and affordable health insurance while retaining the basic protections for consumers; and

(3) Such waivers may be narrowly tailored to address specific problems and may address, among other things, the creation of state reinsurance programs, high-risk health conditions, changes to premium tax credits and cost-sharing arrangements, consumer-driven health care accounts, the creation of new health insurance products, the implementation of health care delivery systems, or the redefinition of essential health benefits.

SECTION 3-2.

Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in Chapter 1, relating to general provisions, by adding a new Code section to read as follows:

"33-1-26.

(a) The Governor is hereby authorized to submit one or more applications to the United States Secretaries of Health and Human Services and the Treasury for waiver of applicable provisions of the federal Patient Protection and Affordable Care Act (P. L. 111-148) under Section 1332 with respect to health insurance coverage or health insurance products. Any such submission to obtain a state innovation waiver may include multiple waiver submissions. On or after January 1, 2020, upon approval of one or more waivers, the state is authorized to implement such waiver or waivers as provided under Section 1332 of such federal act in a manner consistent with state and federal law.

(b) The authority granted to the Governor in subsection (a) of this Code section to submit one or more applications shall expire on December 31, 2021."

PART IV

SECTION 4-1.

This Act shall become effective upon its approval by the Governor or upon its becoming law without such approval.

SECTION 4-2.

All laws and parts of laws in conflict with this Act are repealed.

House Bill 186 (AS PASSED HOUSE AND SENATE)

By: Representatives Stephens of the 164th, Gilliard of the 162nd, Petrea of the 166th, Hitchens of the 161st, Stephens of the 165th, and others

A BILL TO BE ENTITLED

AN ACT

To amend Title 31 of the Official Code of Georgia Annotated, relating to health, so as to revise provisions relating to certificate of need requirements; to revise and provide for new definitions relative to health planning and development; to prohibit certain actions relating to medical use rights; to revise provisions regarding when certificate of need is required; to repeal a provision relating to the establishment of set times in which certain application for capital projects may be accepted; to authorize destination cancer hospitals to be converted to general cancer hospitals; to revise and provide for additional exemptions to certificate of need requirements; to provide for requests and objections to letters of determination that an activity is exempt or excluded from certificate of need requirements; to provide for annual reports to be made publicly available; to provide for improvements in the state's health care system and coordination of state health related entities; to provide for legislative findings and declarations; to provide for definitions; to provide for the creation of the Office of Health Strategy and Coordination; to provide for a director of health strategy and coordination; to provide for advisory committees; to provide for reporting requirements by certain state boards, commissions, committees, councils, and offices to the Office of Health Strategy and Coordination; to provide for the Georgia Data Access Forum; to provide for its composition and purpose; to amend other provisions of the Official Code of Georgia Annotated, so as to provide for conforming changes; to provide for a short title; to revise provisions relating to the sale or lease of a hospital by a hospital authority; to provide for the investment of funds by certain hospital authorities; to amend Code Section 48-7-29.20 of the Official Code of Georgia Annotated, relating to tax credits for contributions to rural hospital organizations, so as to provide for transparency; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

rural hospital organization of all contributions made, all tax credits received by individual and corporate donors, and all amounts received by third parties that solicited, administered, or managed donations pertaining to this Code section and Code Section 31-8-9.1.

~~(i)~~(k) This Code section shall stand automatically repealed on December 31, ~~2021~~ 2024."

PART II

SECTION 2-1.

This part shall be known and may be cited as "The Health Act."

SECTION 2-2.

Title 31 of the Official Code of Georgia Annotated, relating to health, is amended by adding a new chapter to read as follows:

"CHAPTER 53

ARTICLE 1

31-53-1.

The General Assembly finds that Georgia faces population and community health challenges. The current health infrastructure must be adapted to adequately integrate state and private resources in a manner that will serve to maximize the state's goals, including improved access to care, effective health management strategies, and cost control measures. All components of the state's health care system must be more strategic and better coordinated. The General Assembly, therefore, declares it to be the public policy of the state to unite the major stakeholders of the state's health care system under a strategic vision for Georgia. The public policy shall be realized through an agency focused on strategic health care management and coordination.

31-53-2.

As used in this chapter, the term:

(1) 'Director' means the director of health strategy and coordination established pursuant to Code Section 31-53-4.

(2) 'Office' means the Office of Health Strategy and Coordination established pursuant to Code Section 31-53-3.

31-53-3.

(a) There is established within the office of the Governor the Office of Health Strategy and Coordination. The objective of the office shall be to strengthen and support the health care infrastructure of the state through interconnecting health functions and sharing resources across multiple state agencies and overcoming barriers to the coordination of health functions. To this end, all affected state agencies shall cooperate with the office in its efforts to meet such objective. This shall not be construed to authorize the office to perform any function currently performed by an affected state agency.

(b) The office shall have the following powers and duties:

(1) Bring together experts from academic institutions and industries as well as state elected and appointed leaders to provide a forum to share information, coordinate the major functions of the state's health care system, and develop innovative approaches for lowering costs while improving access to quality care;

(2) Serve as a forum for identifying Georgia's specific health issues of greatest concern and promote cooperation from both public and private agencies to test new and innovative ideas;

(3) Evaluate the effectiveness of previously enacted and ongoing health programs and determine how best to achieve the goals of promoting innovation, competition, cost reduction, and access to care, and improving Georgia's health care system, attracting new providers, and expanding access to services by existing providers;

(4) Facilitate collaboration and coordination between state agencies, including but not limited to the Department of Public Health, the Department of Community Health, the Department of Behavioral Health and Developmental Disabilities, the Department of Human Services, the Department of Economic Development, the Department of Transportation, and the Department of Education;

(5) Evaluate prescription costs and make recommendations to public employee insurance programs, departments, and governmental entities for prescription formulary design and cost reduction strategies;

(6) Maximize the effectiveness of existing resources, expertise, and opportunities for improvement;

(7) Review existing State Health Benefit Plan contracts, Medicaid care management organization contracts, and other contracts entered into by the state for health related services, evaluate proposed revisions to the State Health Benefit Plan, and make recommendations to the Department of Community Health prior to renewing or entering into new contracts;

(8) Coordinate state health care functions and programs and identify opportunities to maximize federal funds for health care programs;

(9) Oversee collaborative health efforts to ensure efficient use of funds secured at the federal, state, regional, and local levels;

(10) Evaluate community proposals that identify local needs and formulate local or regional solutions that address state, local, or regional health care gaps;

(11) Monitor established agency pilot programs for effectiveness;

(12) Identify nationally recognized effective evidence based strategies;

(13) Propose cost reduction measures;

(14) Provide a platform for data distribution compiled by the boards, commissions, committees, councils, and offices listed in Code Section 31-53-7; and

(15) Assess the health metrics of the state and recommend models for improvement which may include healthy behavior and social determinant models.

31-53-4.

(a) There is created the position of director of health strategy and coordination who shall be the chief administrative officer of the office. The Governor shall appoint the director who shall serve at the pleasure of the Governor.

(b) The director shall have such education, experience, and other qualifications as determined by the Governor.

(c) The director shall consult with the Governor on determining state priorities and adoption of a state strategy.

(d) The director may contract with other agencies, public and private, or persons as he or she deems necessary for carrying out the duties and responsibilities of the office.

(e) The director may employ such other professional, technical, and clerical personnel as deemed necessary to carry out the purposes of this chapter.

31-53-5.

(a) The director shall have the power to establish and abolish advisory committees as he or she deems necessary to inform effective strategy development and execution.

(b) Membership on an advisory committee shall not constitute public office, and no member shall be disqualified from holding public office by reason of his or her membership.

(c) An advisory committee shall elect a chairperson from among its membership.

(d) Members of an advisory committee shall serve without compensation, although each member of an advisory committee shall be reimbursed for actual expenses incurred in the performance of his or her duties from funds available to the office. Such reimbursement shall be limited to all travel and other expenses necessarily incurred through service on the advisory committee, in compliance with the state's travel rules and regulations; provided,

however, that in no case shall a member of an advisory committee be reimbursed for expenses incurred in the member's capacity as the representative of another state agency.

(e) Policy proposals and strategies under consideration that arise from the efforts of an advisory committee must be presented to all members of the advisory committee with an opportunity to comment.

(f) An advisory committee shall:

(1) Meet at such times and places as it shall determine necessary or convenient to perform its duties. An advisory committee shall also meet on the call of the director or the Governor;

(2) Maintain minutes of its meetings;

(3) Identify and report to the director any federal laws or regulations that may enable the state to receive and disburse federal funds for health care programs;

(4) Advise the director if it needs additional members or resources to conduct its defined duties; and

(5) Provide a final report with supporting documentation to the director.

31-53-6.

(a) The office shall compile reports received from the following boards, commissions, committees, councils, and offices pursuant to each such entity's respective statutory reporting requirements:

(1) The Maternal Mortality Review Committee;

(2) The Office of Women's Health;

(3) The Commission on Men's Health;

(4) The Renal Dialysis Advisory Council;

(5) The Kidney Disease Advisory Committee;

(6) The Hemophilia Advisory Board;

(7) The Georgia Council on Lupus Education and Awareness;

(8) The Georgia Palliative Care and Quality of Life Advisory Council;

(9) The Georgia Trauma Care Network Commission;

(10) The Behavioral Health Coordinating Council;

(11) The Department of Public Health on behalf of the Georgia Coverdell Acute Stroke Registry;

(12) The Office of Cardiac Care; and

(13) The Brain and Spinal Injury Trust Fund Commission.

(b) The office shall maintain a website that permits public dissemination of data compiled by the boards, commissions, committees, councils, and offices listed in subsection (a) of this Code section.

Appendix C: Actuarial and Economic Analysis

State of Georgia

Section 1332 Waiver, PYs 2021 – 2025

Actuarial and Economic Analysis

December 23, 2019

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Section 1: State of Georgia 1332 Waiver Background

The State of Georgia is submitting a Section 1332 State Relief and Empowerment Waiver (1332 Waiver or Waiver) aiming to reduce premiums, increase coverage, and promote a more competitive individual health insurance market in Georgia through a two phased approach. Phase I is the introduction of a statewide reinsurance program beginning in Plan Year (PY) 2021. Phase II is the transition to the Georgia Access Model beginning in PY 2022.

Section 1.1 – Phase I Reinsurance Program

Georgia seeks approval of its 1332 Waiver for Phase I, implementation of a state reinsurance program for PYs 2021 – 2025. The Reinsurance Program would pay for a portion of claims for high-cost members in the individual health insurance market. The portion of claims to be paid would be determined by setting parameters, defined below:

- **Attachment point:** A threshold, above which a member's annual total claims would be eligible for reimbursement by the Reinsurance Program.
- **Cap:** The maximum of a member's annual total claims that would be eligible for reimbursement.
- **Coinsurance:** The percent of a member's annual total claims paid by the Reinsurance Program.

The Reinsurance Program would pay a percentage of claims above the attachment point and up to a cap. Covered claims would reduce the total costs paid by carriers in the individual market. Therefore, any reductions to claims costs due to Reinsurance would also reduce premiums.

The goal of the Reinsurance Program is to stabilize the individual market to reduce premiums and incentivize carriers to offer plans in more regions across the State. Higher coinsurance rates will be applied to higher cost regions to bring the premiums closer to the rates available in lower cost regions of the State.

Section 1.2 – Phase II Georgia Access Model

Georgia also seeks approval of Phase II of its 1332 Waiver to transition Georgia's individual market from the Federally Facilitated Exchange (FFE) to the Georgia Access Model for PYs 2022 – 2025. To expand access to affordable healthcare options and reduce the uninsured rate, the Georgia Access Model will allow consumers to view all the plan options available to them through private web-brokers, including Qualified Health Plans (QHPs) and Catastrophic Plans offered today on the FFE, as well as additional plan options. Consumers will also have the option to buy plans direct from carriers.

Adjusted Plan Options: The Georgia Access Model includes elements of the "Adjusted Plan Options" waiver concept described in the Centers for Medicare & Medicaid Services (CMS) Discussion Paper "Section 1332 State Relief and Empowerment Waiver Concepts" dated November 29, 2018.

State subsidies will only be available for certified plans that meet federal QHP criteria and Eligible non-QHP criteria defined by the State. As defined in the waiver application, Eligible non-QHPs must be in the single risk pool and maintain several consumer protections, including those for individuals with pre-existing conditions. The two types of Eligible non-QHPs the State is considering certifying for Plan Year 2022 are Copper Plans and Disease Management Plans. The 1332 Waiver provides Georgia the flexibility to certify additional Eligible non-QHPs in future years based upon identified need, actuarial analysis, and approval from CMS and the Treasury Department in accordance with the Special Terms and Conditions (STCs) that would be issued by the Departments for this waiver upon approval. For this analysis, Copper and Disease Management Plans were modeled as the Eligible non-QHPs starting in PY 2022 throughout the duration of the waiver.

Subsidy Structure: The State decided to implement a state subsidy structure that mirrors the federal subsidy rates for PY 2022 for QHPs and Eligible non-QHPs. The 1332 Waiver provides Georgia the flexibility to modify the subsidy structure in future years with approval from CMS and the Treasury Department in accordance with the STCs that would be issued by the Departments for this waiver upon approval. For purposes of the actuarial analysis, it is assumed that the State will continue to mirror the federal structure starting in PY 2022 through the duration of the waiver.

As described in the waiver application, Georgia intends to cap state-funded program expenditures for the 1332 Waiver beyond federal pass through dollars for the combined Reinsurance Program and state subsidies within Georgia Access. The state-funded program cap is projected to be at $255M for PY 2022, funded with a state user fee previously assessed for use of the FFE along with State General Funds. The baseline With Waiver model estimates an increase of 35,000 new consumers to the market in PY 2022, with 22,050 subsidy-eligible. This additional 35,000 enrollment is above and beyond the number of consumers currently buying QHPs on the FFE pre-waiver.

The State is imposing a state funding cap of $255M for PY 2022. Combined with federal pass-through dollars, this funding cap is projected to cover the full cost of the Reinsurance Program, subsidies equivalent to the number of consumers currently buying QHPs on the FFE pre-waiver, and the estimated 35,000 new enrollees. In order to provide for even greater enrollment opportunity, this cap also allows for the enrollment of an additional 44,000 consumers, 3,520 of which would be subsidy eligible, for a total of 79,000 additional consumers beyond the number enrolled pre-waiver.

The following table outlines the additional enrollment that can be funded through a combination of federal pass-through dollars and the State funding cap for PY 2022.

Table 1.2: Enrollment Growth Possible with Federal Pass-Through Dollars and the State Program Cap for PY 2022

Additional Enrollment	
With Waiver Additional Enrollment Baseline Estimates	35,000
Subsidized	22,050
Unsubsidized	12,950
Additional Enrollment Available with Funding Cap	44,000
Subsidized	3,520
Unsubsidized	40,480
Total Additional Enrollment Available with Funding Cap	**79,000**
Subsidized	**25,570**
Unsubsidized	**53,430**

Additional information and assumptions on enrollment are detailed throughout this analysis.

Section 1.3 – Waiver Impact Assessment and Guardrail Compliance

This document summarizes the analyses performed and the resulting impact of Phase I: Reinsurance and Phase II: Georgia Access on the Georgia individual market with and without the waiver. The underlying data, assumptions, and extensive scenario/sensitivity testing performed are documented throughout the report.

Pursuant to 45 CFR 155.1308(f)(4)(i)-(iii), in order for Georgia's 1332 waiver to be approved, the State must demonstrate that the waiver complies with the four "guardrails" as listed below. This document demonstrates the impact of each of the guardrails and describes the compliance with each. Further, this document complies with the CMS "Checklist for Section 1332 State Relief and Empowerment Waivers Applications" (updated July 2019) ("CMS Checklist") as described in Appendix IV – "Crosswalk to CMS 1332 Waiver Checklist".

- **Coverage** – a comparable number of state residents eligible for coverage under Title I of the Patient Protection and Affordable Care Act (PPACA) will have health coverage under the section 1332 state plan as would have had coverage absent the waiver;
- **Affordability** – access to coverage that is as affordable as coverage forecasted to have been available in the absence of the waiver is projected to be available to a comparable number of people under the waiver;
- **Comprehensiveness** – access to coverage that is as comprehensive as coverage forecasted to have been available in the absence of the waiver is projected to be available to a comparable number of people under the waiver, and;
- **Deficit neutrality** – the waiver will not increase the federal deficit over the period of the waiver (which may not exceed five years unless renewed) or in total over the 10-year period.

Section 2: Actuarial and Economic Analysis Summary

Section 2.1 – Without Waiver Summary

Consistent with the CMS Checklist, "for waivers that impact the individual market, the state should use a baseline in which there is no state waiver plan in effect, and should compare premiums, comprehensiveness, and coverage under the baseline for each year to those projected under the waiver." The Without Waiver baseline projections are built off PY 2018 data provided from carriers in Georgia's individual market. The baseline Without Waiver estimated enrollment (coverage) and premiums (affordability) are shown in Table 2.1 for PYs 2021 – 2025, alongside actuals for PY 2018. Ten-year projections are shown in Appendix IV, Table IV.II. The data, methodology, and assumptions underlying these estimates are described in Sections 3 and 4.

Table 2.1: Baseline Without Waiver Average Enrollment and Premium Estimates

	PY 2018	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025
Enrollment						
On Exchange Subsidized	333,584	333,584	333,584	333,584	333,584	333,584
On Exchange Unsubsidized	33,978	32,279	32,279	32,279	32,279	32,279
Off Exchange Unsubsidized	22,029	20,928	20,928	20,928	20,928	20,928
Grandfathered	972	972	972	972	972	972
Total	**390,564**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**
Premium Per-Member-Per-Month (PMPM)						
On Exchange Subsidized	$626	$700	$734	$770	$808	$848
On Exchange Unsubsidized	$494	$553	$580	$608	$638	$670
Off Exchange Unsubsidized	$524	$586	$615	$645	$677	$710
Grandfathered	$292	$323	$339	$355	$373	$391
Total	**$608**	**$680**	**$714**	**$749**	**$786**	**$824**
Total Premium (In $ millions)[1]						
On Exchange Subsidized	$2,505	$2,801	$2,938	$3,083	$3,234	$3,393
On Exchange Unsubsidized	$202	$214	$225	$236	$247	$259
Off Exchange Unsubsidized	$139	$147	$154	$162	$170	$178
Grandfathered	$3	$4	$4	$4	$4	$5
Total	**$2,849**	**$3,166**	**$3,322**	**$3,485**	**$3,656**	**$3,835**

[1] *Totals may not equal sum of the parts due to rounding*

Section 2.2 – With Waiver Summary

Section 2.2.1 – With Waiver: Reinsurance Only Summary

The Reinsurance Program will reimburse insurance carriers for a portion (coinsurance percentage) of member aggregated annual claims between a lower bound (attachment point) and an upper bound (Reinsurance cap). The coinsurance percentage varies by tier, with higher percentages targeting higher cost rating regions. The following table summarizes the reinsurance parameters and estimated premium impacts in PY 2021 as a result of the Reinsurance Program.

Table 2.2: Tiered Coinsurance Rates and PY 2021 Premium Reductions

	Tier 1	Tier 2	Tier 3
Rating Regions	2,3,5,8,14	1,7,9,12,16	4,6,10,11,13,15
Attachment Point	$20,000	$20,000	$20,000
Cap	$500,000	$500,000	$500,000
Coinsurance	15.0%	45.0%	80.0%
Estimated PY 2021 Premium Impact	- 4.8%	-14.1%	-25.0%

These Reinsurance parameters are estimated to result in an approximate 10% average rate decrease, with the lowest rate decreases in Tier 1, and the highest rate decreases in Tier 3. The rating areas are tiered according to estimated average Without Waiver premiums. Rating areas with the lowest estimated premiums are in Tier 1, and rating areas with the highest estimated premiums are in Tier 3. Refer to Appendix II and III for more information on Georgia rating areas.

The baseline With Waiver Reinsurance Only estimated enrollment (coverage) and premiums (affordability) are shown in Table 2.3 for PYs 2021 – 2025, alongside actuals for PY 2018. Ten-year projections are shown in Appendix IV, Table IV.II. The data, methodology, and assumptions underlying these estimates are described in Sections 3 and 5.1.

Table 2.3: Baseline With Waiver Reinsurance Only Average Enrollment and Premium Estimates

	PY 2018	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025
Enrollment						
On Exchange Subsidized	333,584	333,584	333,584	333,584	333,584	333,584
On Exchange Unsubsidized	33,978	33,048	33,195	33,237	33,261	33,283
Off Exchange Unsubsidized	22,029	21,663	21,806	21,847	21,872	21,895
Grandfathered	972	972	972	972	972	972
Total	**390,564**	**389,268**	**389,558**	**389,640**	**389,690**	**389,735**
Premium Per-Member-Per-Month (PMPM)						
On Exchange Subsidized	$626	$630	$659	$690	$722	$756
On Exchange Unsubsidized	$494	$511	$535	$560	$586	$614
Off Exchange Unsubsidized	$524	$517	$540	$565	$591	$618
Grandfathered	$292	$323	$339	$355	$373	$391
Total	**$608**	**$613**	**$641**	**$671**	**$702**	**$735**
Total Premium (In $ millions)[I]						
On Exchange Subsidized	$2,505	$2,521	$2,638	$2,762	$2,891	$3,027
On Exchange Unsubsidized	$202	$203	$213	$223	$234	$245
Off Exchange Unsubsidized	$139	$134	$141	$148	$155	$162
Grandfathered	$3	$4	$4	$4	$4	$5
Total	**$2,849**	**$2,862**	**$2,997**	**$3,137**	**$3,285**	**$3,439**

[I] *Totals may not equal sum of the parts due to rounding*

Section 2.2.2 – With Waiver: Georgia Access Summary

The Georgia Access Model expands consumer access by allowing individuals to shop for and compare available plans through multiple channels. Consumers may use commercial market web-brokers or buy directly from carriers and still receive state subsidies, if eligible.

The State will certify plans eligible for state subsidies. Under the waiver, the State will continue to certify metal level QHPs and Catastrophic Plans offered today through the FFE. This actuarial analysis assumes these plans will be available at the same rates they are under the baseline scenario (PY 2018).

In addition, the State will certify Eligible non-QHPs to provide residents with expanded access to affordable health care coverage options. The two types of Eligible non-QHPs the State is considering certifying for Plan Year 2022 are Copper Plans and Disease Management Plans. Section 5.2 provides additional information on Eligible non-QHP requirements which are defined in detail within the waiver application under Phase II, Section I, *Program Design – Plan Certification*. In summary, these plans must be in the single risk pool, maintain protections for those with pre-existing conditions, maintain other consumer protections as defined in the waiver, and not be medically underwritten. Details regarding Copper Plans and Disease Management Plans are outlined in Table 2.4.

Table 2.4: Eligible Non-QHP Options for PY 2022

Eligible Non-QHP Options	Plan Assumptions
Copper Plans	• Include all ten EHB categories • Meet the requirements of the State's EHB benchmark plan • Set at 50% actuarial value (with de minimis rules) • Permit out-of-pocket maximums to exceed current thresholds for other metal level plans • Assume approximately 17% lower premiums than Bronze Plans for modeling
Disease Management Plans	• Include all ten EHB categories • Assign current metal level (Bronze, Silver, etc.) • Allow market flexibility to select the condition and design plans that address multifaceted high-cost conditions (e.g., diabetes, cardiovascular disease, HIV/AIDS) • May provide enriched benefits to better manage the specified disease, by allowing plans flexibility in meeting other QHP requirements (e.g., more specialized networks, increased cost sharing on other non-disease-related services), if overall plan meets metal level cost-sharing requirements • Allow flexibility towards the State's benchmark plan requirements, while still providing benefits within each of the ten EHB categories

These two types of plan options were analyzed under several assumptions, including:

- Migration of current QHP enrollees to new plan options
- New enrollment from the uninsured
- Health status of current and new enrollees into the market

- Proportion of new enrollees that are subsidy-eligible
- Adverse selection impact of enrollees
- Care management savings for disease-specific plans

A baseline for each of the above scenarios was developed as a starting point. Scenario testing was then performed to estimate the impact on the market of flexing these assumptions under a wide variety of conditions.

Section 5.2 With Waiver Development, Georgia Access Only provides detail regarding the various assumptions and scenarios that were assessed and modeled. The following table provides the impact of the baseline scenario for the Georgia Access Model on the QHP premiums.

Table 2.5: Baseline Georgia Access Estimated QHP Premium Impact in PY 2022

QHP Premium Impact Compared to Without Waiver in PY 2022	Tier 1	Tier 2	Tier 3
Georgia Access Only [I]	-1.9%	-1.9%	-1.9%
Combined Impact of Reinsurance and Georgia Access [II]	-6.7%	-16.0%	-26.8%

[I] Excludes premium impact due to Reinsurance
[II] Approximated by summing Reinsurance Only premium impact in Table 2.2 with Georgia Access Only impact.

Section 2.2.3 – With Waiver: Reinsurance and Georgia Access Summary

The baseline With Waiver Reinsurance and Georgia Access estimated enrollment (coverage) and premiums (affordability) are shown in Table 2.6 for PYs 2021 – 2025, alongside actuals for PY 2018. Note there is no change in PY 2021 compared to the Reinsurance Only scenario shown in Table 2.3 because Georgia Access does not become effective until PY 2022. Ten-year projections are shown in Appendix V, Table V.2. The data, methodology, and assumptions underlying these estimates are described in Sections 3 and 5.

Table 2.6: Baseline With Waiver Reinsurance and Georgia Access Average Enrollment and Premium Estimates

	PY 2018	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025
Enrollment						
On Exchange Subsidized	333,584	333,584	355,634	355,634	355,634	355,634
On Exchange Unsubsidized	33,978	33,048	46,558	46,630	46,658	46,679
Off Exchange Unsubsidized	22,029	21,663	21,959	22,016	22,042	22,062
Grandfathered	972	972	972	972	972	972
Total	**390,564**	**389,268**	**425,124**	**425,253**	**425,306**	**425,348**
Premium Per-Member-Per-Month (PMPM)						
On Exchange Subsidized	$626	$630	$637	$666	$698	$730
On Exchange Unsubsidized	$494	$511	$488	$511	$536	$561
Off Exchange Unsubsidized	$524	$517	$517	$540	$565	$591
Grandfathered	$292	$323	$339	$355	$373	$391
Total	**$608**	**$613**	**$613**	**$642**	**$672**	**$704**
Total Premium (In $ millions)[1]						
On Exchange Subsidized	$2,505	$2,521	$2,717	$2,844	$2,977	$3,117
On Exchange Unsubsidized	$202	$203	$273	$286	$300	$314
Off Exchange Unsubsidized	$139	$134	$136	$143	$149	$157
Grandfathered	$3	$4	$4	$4	$4	$5
Total	**$2,849**	**$2,862**	**$3,130**	**$3,277**	**$3,431**	**$3,592**

[1] *Totals may not equal sum of the parts due to rounding*

Section 2.3 – Without and With Waiver Comparison Summary

Table 2.7 compares the With Waiver to baseline Without Waiver enrollment (coverage) and premiums (affordability). This table includes estimates for PY 2021, the first year of the Reinsurance Program, and for PY 2022, the first year of the Georgia Access Model. Detailed estimates for each year from PYs 2021 – 2030, for Reinsurance Only, are shown in Appendix IV, Table IV.II. Detailed estimates for each year of PYs 2021 – 2030 for Reinsurance and the Georgia Access Model are shown in Appendix V, Table V.II.

Note, enrollment and premium changes resulting from this waiver throughout this analysis are modeled to occur at implementation. Therefore, PY 2021 is modeling to reflect the impact of Reinsurance on enrollment and premium in PY 2021 and then that assumption is carried forward through the projection period (PY 2030). Similarly, the Georgia Access impact on enrollment and premium is all assumed to occur in PY 2022 and then carry through PY 2030.

Table 2.7: Comparison of With Waiver and Baseline Without Waiver PYs 2021 and 2022

	PY 2021 (Reinsurance Only)			PY 2022 (Reinsurance and Georgia Access)		
	Without Waiver	With Waiver	% Change	Without Waiver	With Waiver	% Change
Enrollment[I]						
On Exchange Subsidized	333,584	333,584	0.0%	333,584	355,634	6.6%
On Exchange Unubsidized	32,279	33,048	2.4%	32,279	46,558	44.2%
Off Exchange[II] Unsubsidized	20,928	21,663	3.5%	20,928	21,959	4.9%
Grandfathered	972	972	0.0%	972	972	0.0%
Total	**387,764**	**389,268**	**0.4%**	**387,764**	**425,124**	**9.6%**
Premium PMPM						
On Exchange Subsidized	$700	$630	-10.0%	$734	$637	-13.3%
On Exchange Unsubsidized	$553	$511	-7.5%	$580	$488	-15.8%
Off Exchange Unsubsidized	$586	$517	-11.8%	$615	$517	-16.0%
Grandfathered	$323	$323	0.0%	$339	$339	0.0%
Total	**$680**	**$613**	**-10.0%**	**$714**	**$613**	**-14.1%**
Total Premium (In $millions)[III]						
On Exchange Subsidized	$2,801	$2,521	-10.0%	$2,938	$2,717	-7.5%
On Exchange Unsubsidized	$214	$203	-5.3%	$225	$273	21.5%
Off Exchange Unsubsidized	$147	$134	-8.7%	$154	$136	-11.9%
Grandfathered	$4	$4	0.0%	$4	$4	0.0%
Total	**$3,166**	**$2,862**	**-9.6%**	**$3,322**	**$3,130**	**-5.8%**

[I] *Starting in 2022, both On Exchange and Off Exchange individuals will go through the Georgia Access Model*

[II] *People Off Exchange currently buy plans without utilizing the FFE, making them not eligible for subsidies. It is assumed that these individuals will continue to be ineligible for subsidies*

[III] *Totals may not equal sum of the parts due to rounding*

Section 2.4 – Guardrail Summary

High-level compliance with the guardrails over the 5-year waiver and 10-year projection period are summarized in the following tables, and further described in Section 6. Table 2.8 summarizes compliance with Phase I of the waiver, and Table 2.9 summarizes compliance with Phase II of the waiver. Phase I refers to Calendar Year (CY) or PY 2021 (calendar years and plan years align), when just the Reinsurance Program is in effect. Phase II refers to PYs 2022 – 2025, when the Georgia Access Model is in effect in addition to the Reinsurance Program. Ten-year estimates, for just Phase I, models the impact of just the Reinsurance Program from PYs 2021 – 2030 and are provided in Appendix IV. The 10-year estimates for both Phase I and Phase II assume a continuation of both the Reinsurance Program and the Georgia Access Model through PY 2030. For more detail regarding the assumptions related to increased coverage and estimated enrollment impact assumptions, please refer to Appendix V.

Table 2.8: High-Level Guardrail Compliance of 1332 Waiver Reinsurance Only

Guardrail	Estimated Effect of Reinsurance Program Compared to Without Waiver
Comprehensiveness	There will not be a change to access to metal level QHPs and Catastrophic Plans as defined by Section 1302.
Affordability	Premiums are projected to decrease by an average of 10% statewide in PY 2021. The average annual premium decrease compared to the Without Waiver baseline over the 5-year waiver period and 10-year projection period is 10.4% and 10.9% respectively.
Scope of Coverage	Enrollment in the individual market is projected to increase 0.4% in PY 2021, 0.5% by PY 2025, and 0.6% by PY 2030.

Guardrail	Estimated Effect of Reinsurance Program Compared to Without Waiver
Deficit Neutrality	Net federal spend is projected to decrease by $264 million in PY 2021, $1.5 billion over the 5-year waiver period, and $3.6 billion over the 10-year projection period.

Table 2.9: High-Level Guardrail Compliance of 1332 Waiver Reinsurance and Georgia Access Model

Guardrail	Estimated Effect of Reinsurance and Georgia Access Compared to Without Waiver
Comprehensiveness	There is no anticipated change to access to metal level QHPs and Catastrophic Plans as defined by Section 1302. Consumers will have increased access to individual products licensed and in good standing within the State. There is no anticipated erosion of the QHP market as subsidized members have little or no incentive to buy down to a Copper Plan given an existing metal level QHP is affordable (in some cases free) and provides a higher actuarial value; Copper Plans are included in the single risk pool and are subject to risk adjustment to offset selection issues across plans; and reinsurance reduces the risk of a carrier enrolling unhealthy members who incur higher claims.
Affordability	Premiums are projected to decrease by an average of 10% statewide due to the Reinsurance Program. Metal level QHP premiums are expected to decrease an additional 1.9% due to the Georgia Access Model. The average annual premium decrease compared to the Without Waiver baseline over the 5-year waiver period and 10-year projection period is 13.5% and 14.3% respectively. Further, state subsidies will maintain the same subsidy structure as the federal subsidy structure for QHPs and eligible non-QHPs for PY 2022, keeping plans as affordable as without the waiver. The State may adjust the subsidy structure to make coverage more affordable for more Georgians in future years. The State will seek approval from CMS and Treasury for such a change.
Scope of Coverage	Enrollment in the individual market is estimated to increase 0.4% in PY 2021 due to the Reinsurance Program and 9.1% in PY 2022 due to the impact of the Georgia Access Model alone. Enrollment is projected to increase a total of 9.6% due to the combined impact of the Georgia Access Model and Reinsurance in PY 2022, 9.7% by PY 2025, and 9.7% by PY 2030.
Deficit Neutrality	Net federal spend is projected to decrease by $264 million in PY 2021, $2.6 billion in PY 2022, $11.6 billion over the 5-year waiver period, and $29.5 billion over the 10-year projection period for the combined Reinsurance Program and Georgia Access.

Section 3: Data Sources and Reliance

This section describes the data relied upon to develop baseline Without Waiver and With Waiver estimates and to estimate the effect of the waiver on coverage, comprehensiveness, affordability, and deficit neutrality requirements. It documents the data sources used as well as the review of the data.

Section 3.1 – Data and Information Requested and Received

Through the Georgia Office of Insurance and Safety Fire Commissioner (OCI), Deloitte Consulting requested PYs 2016 – 2018 data from insurance carriers participating in the individual and small group markets in Georgia during these years. Generally, PY 2018 data was used to develop the estimates, as described in Section 4 – Without Waiver Development. Data was received from all four carriers participating in the non-grandfathered market in PY 2018. Data collected from Georgia insurance carriers and used in this analysis includes the following:

- Continuance tables of paid claims and associated enrollment in the individual market for PYs 2016 – 2018
- Enrollment, premium, and Advanced Premium Tax Credit (APTC) data for PYs 2016 – 2018
- Rate filings for PYs 2016 – 2018, including actuarial memos, rate tables, and Unified Rate Review Tables (URRTs) for On/Off Exchange plans in the individual market
- Financial statements for PYs 2016 – 2018

Additional data sources used in this analysis include the following:

- Study from the American Economic Review in 2015[1]
- Economic data/indicators from the U.S. Bureau of Labor Statistics (BLS)
- Economic data from the Census Bureau
- Department of Treasury April 2019 Coverage Tables[2]
- National Health Expenditure data from CMS[3]
- Various studies on price elasticity in the individual market[4,5,6]
- Summary of research on the premium impact due to the Short-Term, Limited Duration Coverage Final Rule[7]

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[1] Adverse Selection and an Individual Mandate: When Theory Meets Practice, 2015, available at: https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20130758
[2] Treasury Coverage Tables, 2019, available at: https://home.treasury.gov/system/files/131/Coverage-Tables-MSR2019.pdf
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[5] Subsidies and the Demand for Individual Health Insurance in California, 2004, available at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1361083/
[6] Price and the Demand for nongroup Health Insurance, 2006, available at: https://www.ncbi.nlm.nih.gov/pubmed/17004642
[7] The Short-Term, Limited-Duration Coverage Final Rule: The Background, The Content, And What Could Come Next, 2018, available at: https://www.healthaffairs.org/do/10.1377/hblog20180801.169759/full/

- Report from Oliver Wyman on the Impact of the ACA's HIF in Year 2020 and Later[8]
- Study from Avalere Health on the Estimated Impact of Adding Copper Plans[9]
- CMS 2018 Risk Adjustment Summary Report[10]
- Diabetes Prevalence Rates from the American Diabetes Association (ADA)[11]
- CMS 2018 and 2019 Public Use Files
- CMS 2018 and 2019 QHP Landscape Files

Section 3.2 – Base Period Data

In the development of the baseline Without Waiver and With Waiver scenarios, we relied on claims, premium, enrollment, and APTC data provided by Georgia insurance carriers through the OCI as outlined in the previous section. We reviewed the data for reasonableness; however, Deloitte Consulting did not perform an independent audit as to the accuracy of the data.

In reviewing the claims data provided via continuance tables we performed the following reasonableness checks:

- Verified the average claims fell within each claim band. Updated data was requested from carriers with errors
- Reviewed the distribution of members and claims by claim band

In reviewing the premiums, enrollment, and APTC data, we performed the following reasonableness checks:

- Compared the proportion of PY 2018 APTC enrollment versus total On Exchange enrollment against an outside source, the Kaiser Family Foundation.[12] Enrollment distribution matched within 0.7%
- Reviewed per member per month (PMPM) figures by various splits (e.g., metal level, rating area, exchange status)
- Checked total member months against carrier year-end financial statements. Total member months provided in the carriers' enrollment data matched within 1.5% of the financial statements

The following adjustments were made to the premium, enrollment, and APTC data:

- Removed member months (<1,000 removed or approximately 0.003% of total member months) and the associated premiums and APTCs between PYs 2016 – 2018 due to various data inconsistencies, including:

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[8] Analysis of the Impacts of the ACA's Tax on Health Insurance in Year 2020 and Later, 2018, available at: https://health.oliverwyman.com/content/dam/oliver-wyman/blog/hls/featured-images/August18/Insurer-Fees-Report-2018.pdf
[9] Avalere Study, available at: https://avalere.com/insights/avalere-analysis-copper-plan-alternative-would-lower-premiums-18
[10] CMS 2018 Risk Adjustment Summary Report, available at: https://www.cms.gov/CCIIO/Programs-and-Initiatives/Premium-Stabilization-Programs/Downloads/Summary-Report-Risk-Adjustment-2018.pdf
[11] ADA Burden of Diabetes in GA, available at: https://theveranda.org/images/pdf/Burden-of-Diabetes-in-Georgia.pdf
[12] Marketplace Effectuated Enrollment and Financial Assistance, 2018, available at: https://www.kff.org/other/state-indicator/effectuated-marketplace-enrollment-and-financial-assistance/?currentTimeframe=1&selectedRows=%7B%22states%22:%7B%22georgia%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

- Catastrophic Plans labeled as having APTCs greater than $0
- Plans with no associated metal level
- Plans with a rating area not labeled between 1 – 16

Section 3.3 – Reliance

The data was reviewed for reasonableness and consistency during the work; however, it was not audited after being received. It was assumed, without audit, that all data and information provided is accurate and complete. If the underlying data or information provided is inaccurate or incomplete, the results of analysis may likewise be inaccurate or incomplete.

The scope of the certification and the intended use of the analysis being performed to determine the nature of the data needed has been considered. Additionally, the actuarial guidelines on utilizing imperfect data and considering the quality of data in the actuarial analysis as outlined in Actuarial Standard of Practice No. 23 have been followed. We have relied on the State of Georgia enrollment and premium data highlighted. Based on our reasonableness checks, we believe it is credible and is a reasonable data source to assess the impact of the Reinsurance Program and Georgia Access Model on the State of Georgia's individual health insurance population.

Section 4: Without Waiver Development

This section provides a description of the actuarial assumptions and methodology used to estimate enrollment, claims, premiums, subsidies (federal APTCs/state subsidies), and state and federal funding requirements over the 10-year period for PYs 2021 – 2030 under a baseline Without Waiver scenario. Further, this section provides summary estimates of the larger Without Waiver analysis found in Appendices IV and V.

Consistent with the CMS "Checklist for Section 1332 State Relief and Empowerment Waivers Applications" (updated July 2019) ("CMS Checklist") as described in Appendix VI – "Crosswalk to CMS 1332 Waiver Checklist", detailed estimates by FPL, metal level, second lowest cost silver plan, APTC/subsidy, and fees over the 5-year waiver period and 10-year projection period are included in Appendix IV and V.

Section 4.1 – Without Waiver Assumptions and Parameters

Section 4.1.1 – Without Waiver Enrollment

The PY 2018 enrollment shown in Table 2.1 was summarized from the actual PY 2018 enrollment data received from the carriers. Enrollment in PYs 2021 – 2030 was estimated as follows:

- Reduced unsubsidized (On Exchange Unsubsidized and Off Exchange Unsubsidized) enrollment in PY 2019 to account for the removal of the Individual Mandate. Using public use file data, a 5% reduction was assumed.
- Assumed enrollment would then stabilize at the PY 2019 level throughout the 10-year period.

The following table summarizes enrollment in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the baseline Without Waiver estimates. Note that enrollment figures provided are annualized assuming 12 member months per member.

Table 4.1: Baseline Without Waiver Enrollment

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	39,769	39,769	39,769
Silver	277,771	277,771	277,771
Gold	16,044	16,044	16,044
Average Annual Enrollment[1]	**333,584**	**333,584**	**333,584**
On Exchange Unsubsidized			
Bronze	13,320	12,654	12,654
Silver	13,228	12,566	12,566
Gold	5,637	5,355	5,355
Catastrophic	1,794	1,704	1,704
Average Annual Enrollment[1]	**33,978**	**32,279**	**32,279**
Off Exchange Unsubsidized			
Bronze	9,656	9,173	9,173
Silver	8,941	8,494	8,494
Gold	2,497	2,373	2,373
Catastrophic	935	888	888
Average Annual Enrollment[1]	**22,029**	**20,928**	**20,928**
Total Average Annual Enrollment[1]	**389,592**	**386,792**	**386,792**

[1] *Totals may not equal sum of the parts due to rounding*

Section 4.1.2 – Without Waiver Claims

Carriers provided PY 2018 data on actual total paid claims, membership, and average annual paid claims for the individual market, which was summarized into a single continuance data table (see Section 3). Claim costs for PYs 2021 – 2030 were estimated by trending average annual paid claims at an assumed annual rate of 5.1% based off national health expenditure data from CMS (see Section 3). The carrier-provided continuance table data was only used to estimate the impact of the Reinsurance Program. As described in the premium projections, a separate claim component was derived using an assumed loss ratio and used as the basis for other claim projections.

Section 4.1.3 – Without Waiver Premiums

Carriers provided PY 2018 individual market premium PMPM data by metal level, APTC eligibility, and exchange status, which was summarized. The premium PMPM and total shown in Table 2.1 was derived directly from this insurer data. Premiums for PYs 2021 – 2030, as shown in Appendix IV, Table IV.II and Appendix V, Table V.II were estimated as follows:

- Trended the premium PMPMs from PY 2018 to PYs 2019 – 2020 at 2.73% annually based off the annualized weighted average of carrier PYs 2019 and 2020 requested rate increases
- Applied an additional 1% premium increase in PY 2019 due to the removal of the individual mandate based on various studies on the premium impact due to the Short-Term, Limited Duration Coverage Final Rule[13] published after the removal of the individual mandate
- Applied an assumed loss ratio of 82.4%, based on a review of insurer rate filings, to develop the claims and non-benefit expense (NBE) portions of premium for PY 2020
- Trended the claims portion of premium at the assumed 5.1% annual claim trend rate to estimate PYs 2021 – 2030 claims portion of premium
- Trended the NBE portion of premium at an assumed rate of 4%, based off a blend of wage inflation and claim trend to estimate PYs 2021 – 2030 NBE portion of premium
- Summed the claims and NBE portions of premium to develop the estimated premium PMPM for PYs 2021 – 2030

[13] The Short-Term, Limited-Duration Coverage Final Rule: The Background, The Content, And What Could Come Next, 2018, available at: https://www.healthaffairs.org/do/10.1377/hblog20180801.169759/full/

The following table summarizes premiums in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the baseline Without Waiver estimates.

Table 4.2: Baseline Without Waiver Premium PMPM

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	$554	$620	$650
Silver	$626	$700	$734
Gold	$799	$893	$937
Average Premium PMPM	**$626**	**$700**	**$734**
On Exchange Unsubsidized			
Bronze	$477	$534	$560
Silver	$505	$565	$593
Gold	$576	$644	$676
Catastrophic	$283	$313	$329
Average Premium PMPM	**$494**	**$553**	**$580**
Off Exchange Unsubsidized			
Bronze	$527	$589	$618
Silver	$548	$612	$643
Gold	$540	$604	$634
Catastrophic	$235	$260	$273
Average Premium PMPM	**$524**	**$586**	**$615**
Total Average Premium PMPM	**$609**	**$681**	**$715**

The second lowest cost silver plan (SLCSP) premiums for a representative consumer were also estimated per the CMS checklist. A non-smoker individual aged 21 was used as a representative consumer for this estimation. The 2019 actual SLCSP premium was derived from the QHP Landscape Files. SLCSP premiums in PYs 2021 – 2030 were estimated in the same manner as premiums described above (as shown in Appendix IV, Table IV.III and Appendix V, Table V.III).

Section 4.1.4 – Without Waiver Subsidies

The PY 2018 APTC PMPM and total were summarized from the actual PY 2018 APTC data received from the carriers. APTC PMPMs in PYs 2021 – 2030 were estimated as follows:

- Summarized average APTC by metal level
- Calculated net member premium in PY 2018 as the difference between gross member premium and APTC
- Estimated the change in net member premium in PYs 2019 – 2030 by indexing at an annual wage inflation rate of 1.75%, developed from Georgia-specific data from the Bureau of Labor Statistics (BLS)
- Estimated APTC as the difference between estimated gross and net member premiums

The following table summarizes APTC PMPMs in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the baseline Without Waiver estimates.

Table 4.3: Baseline Without Waiver APTC PMPM

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	$477	$538	$567
Silver	$559	$629	$662
Gold	$638	$724	$765
Average APTC PMPM	**$553**	**$623**	**$656**

Section 4.1.5 – User Fees

Georgia's On Exchange individual market uses the FFE. Therefore, for all years in the projection before the implementation of the Georgia Access Model, the FFE user fee was calculated as 3.5% of the total On Exchange premiums. Appendix IV, Table IV.IX and Appendix V, Table V.IX summarize total estimated user fees in PY 2021 through PY 2030.

The following table summarizes user fees in PYs 2018, 2021, and 2022 for the baseline Without Waiver estimates.

Table 4.4: Baseline Without Waiver User Fees

	PY 2018	PY 2021	PY 2022
Total On Exchange Premium (a)	$2,706,559,418	$3,015,127,783	$3,163,112,447
User Fee % (b)	3.5%	3.5%	3.5%
Total User Fee (a*b)	$94,729,580	$105,529,472	$110,708,936

Section 4.1.6 – Health Insurance Provider Fee (HIF)

The HIF is calculated as a 2.2% of the total premiums each year. This assumption was derived from an analysis conducted by Oliver Wyman on the Impact of the ACA's HIF in Year 2020 and Later.[14] Appendix IV, Table IV.IX and Appendix V, Table V.IX summarize the total estimated HIF in PY 2021 through PY 2030.

[14] Analysis of the Impacts of the ACA's Tax on Health Insurance in Year 2020 and Later, 2018, available at: https://health.oliverwyman.com/content/dam/oliver-wyman/blog/hls/featured-images/August18/Insurer-Fees-Report-2018.pdf

The following table summarizes the HIF in PYs 2018, 2021, and 2022 for the baseline Without Waiver estimates.

Table 4.5: Baseline Without Waiver HIF

	PY 2018	PY 2021	PY 2022
Total Individual Premium[I] (a)	$2,848,570,030	$3,166,108,613	$3,321,503,526
HIF % (b)	2.2%	2.2%	2.2%
Total HIF (a*b)	$62,668,541	$69,654,389	$73,073,078

[I] *Includes grandfathered plan premium*

Section 4.2 – Without Waiver Modeling Results

The following table summarizes total enrollment, premium, APTC, user fees, and HIF in PY 2021, PY 2022, the 5-year waiver period, and 10-year projection period. Appendices IV and V contain additional details, including year-by-year estimates, on the Without Waiver modeling results. The results summarized in the following table are used to compare against the With Waiver scenarios discussed in Section 5.

Table 4.6: Baseline Without Waiver Summary Results

	PY 2021	PY 2022	5-Year Total	10-Year Total
Without Waiver				
Total Enrollment[I]	387,764	387,764	387,764	387,764
Total Premium (In $ millions)	$3,166	$3,322	$17,463	$39,661
Total APTC (In $ millions)	$2,493	$2,625	$13,856	$31,757
Total User Fees (In $ millions)	$106	$111	$582	$1,322
Total HIF (In $ millions)	$70	$73	$384	$873

[I] *5-Year and 10-Year Totals are a straight average*

Section 5: With Waiver Development

This section provides a description of the actuarial assumptions and methodology used to estimate enrollment, claims, premiums, subsidies (federal APTCs/state subsidies), and state and federal funding requirements over the 10-year period PYs 2021 – 2030 under a baseline With Waiver scenario. As noted, several scenarios were modeled to understand the impact on coverage, comprehensiveness, affordability, and deficit beyond the baseline scenario.

In the analysis of the Georgia individual market with the waiver, the actuarial and economic analysis was performed in the following order:

1. Effect of Reinsurance Program only
2. Effect of Georgia Access Model only on QHP premiums and enrollment
3. Effect of the combined Reinsurance and Georgia Access Model

Consistent with the requirements of the CMS Checklist, this section and the following Section 6 specifically document:

- The process used to determine the effect of the waiver on coverage, comprehensiveness, affordability, and deficit neutrality guardrail requirements
- Assumptions and methodology used to develop the estimates and growth of health care spending
- Assumptions used to develop the projected reimbursements, including the expected distribution of claims by claim size

Consistent with the CMS "Checklist for Section 1332 State Relief and Empowerment Waivers Applications" (updated July 2019) ("CMS Checklist") as described in Appendix VI – "Crosswalk to CMS 1332 Waiver Checklist", detailed estimates by FPL, metal level, SLCSP, APTC/subsidy, and fees over the 5-year waiver period and 10-year projection period are included in Appendices IV and V. This section summarizes the development and highlights the approach and impact for a subset of the detailed estimates included in the Appendix.

Section 5.1 – With Waiver Reinsurance Only

Section 5.1.1 – With Waiver Reinsurance Only– Modeling Overview

The Reinsurance Program will reimburse carriers for a portion (coinsurance percentage) of member aggregated annual claims between a lower bound (attachment point) and an upper bound (Reinsurance cap). For PY 2021, the State of Georgia intends to establish the following parameters in order to stabilize the individual market, reduce premiums in high-cost regions of the State, and attract carriers to offer more plans in more regions of the State:

Table 5.1: Tiered Reinsurance Parameters

	Tier 1	Tier 2	Tier 3
Rating Regions	2,3,5,8,14	1,7,9,12,16	4,6,10,11,13,15
Attachment Point	$20,000	$20,000	$20,000
Cap	$500,000	$500,000	$500,000
Coinsurance	15.0%	45.0%	80.0%

Carriers provided PY 2018 data on actual total paid claims, membership, and average annual paid claims for the individual market, which was summarized into a single continuance data table. The claim costs for PYs 2021 – 2030 were estimated by trending average annual paid claims at 5.1% based off national health expenditure data. Using this information, an estimated 59.1% of PY 2021 claims will be between $20,000 and $500,000. The tiered coinsurance percentages described in the previous table will be applied to actual claims between the attachment point and the Reinsurance cap.

The rating areas are tiered according to estimated average Without Waiver premiums. Rating areas with the lowest estimated premiums are in Tier 1, and rating areas with the highest estimated premiums are in Tier 3. Refer to Appendices II and III for more information on Georgia rating areas.

These Reinsurance parameters are estimated to result in an approximate 10% average rate decrease, with the lowest rate decreases in Tier 1, and the highest rate decreases in Tier 3, as shown in the following table.

Table 5.2: Tiered Coinsurance Rates and PY 2021 Premium Reductions

	Tier 1	Tier 2	Tier 3
Rating Regions	2,3,5,8,14	1,7,9,12,16	4,6,10,11,13,15
PY21 Estimated Premium Impact (%)	- 4.8%	-14.1%	-25.0%

The 10% aggregate rate decrease, as well as the tiered rate decreases shown in Table 5.2, are estimated using conservative assumptions, increasing the likelihood that the combination of federal pass through and state funding will be adequate to pay all Reinsurance claims. The waiver gives Georgia flexibility to adjust the Reinsurance parameters in the event of a funding surplus or shortfall.

Projected reimbursements to carriers include a conservative factor when developing estimated premiums in the With Waiver scenario. The included scenario calculated that premiums could be reduced up to 11.5% based on the analysis under the identified Reinsurance parameters. However, the model estimates a premium impact of a 10% reduction incorporated by the carriers to account for conservative pricing. This conservatism results in lower estimated rate decreases, and lower federal pass through funding. All estimates in this analysis use these conservative estimates.

Appendix IV, Figure IV.I illustrates the enrollment distribution and average premium levels by rating area and compares the baseline Without Waiver scenario to the With Waiver scenario.

In PY 2021, the Reinsurance Program will be funded by a combination of federal pass through and state funds. Appendix IV, Table IV.II summarize federal pass through funding and state funding required in each year.

Section 5.1.2 – With Waiver Reinsurance Only– Assumptions and Parameters

Enrollment: The primary impact of the Reinsurance Program is a decrease in the individual market premiums. With this decrease in premiums, we applied a price sensitivity assumption of 0.4% increase in enrollment per 1% decrease in individual premiums based off various studies on price elasticity in the individual market.[15,16,17] This assumption is only applied to "On Exchange Unsubsidized" and "Off Exchange Unsubsidized" members, as those who are currently receiving subsidies are buffered from price movements due to their subsidy. Individuals entering the market due to premium decreases are assumed to have incomes greater

[15] Worker Demand for Health Insurance in the non-Group Market, 1995, available at: https://www.sciencedirect.com/science/article/abs/pii/0167629694000353
[16] Subsidies and the Demand for Individual Health Insurance in California, 2004, available at: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1361083/
[17] Price and the Demand for nongroup Health Insurance, 2006, available at: https://www.ncbi.nlm.nih.gov/pubmed/17004642

than 400%, because subsidized individuals are shielded from premium changes and would not feel the impact of the Reinsurance Program.

The following table summarizes enrollment in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the With Waiver Reinsurance Only estimates. Note that enrollment figures provided are annualized assuming 12 member months per member.

Table 5.3: Baseline With Waiver Reinsurance Only Enrollment

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	39,769	39,769	39,769
Silver	277,771	277,771	277,771
Gold	16,044	16,044	16,044
Average Annual Enrollment[I]	**333,584**	**333,584**	**333,584**
On Exchange Unsubsidized			
Bronze	13,320	12,961	13,020
Silver	13,228	12,837	12,888
Gold	5,637	5,503	5,531
Catastrophic	1,794	1,747	1,755
Average Annual Enrollment[I]	**33,978**	**33,048**	**33,195**
Off Exchange Unsubsidized			
Bronze	9,656	9,502	9,566
Silver	8,941	8,793	8,852
Gold	2,497	2,448	2,463
Catastrophic	935	920	926
Average Annual Enrollment[I]	**22,029**	**21,663**	**21,806**
Total Average Annual Enrollment[I]	**389,592**	**388,295**	**388,585**

[I] *Totals may not equal sum of the parts due to rounding*

Claims: Claim costs in PYs 2021– 2030 were calculated in the same manner as the baseline Without Waiver estimates described previously. The With Waiver estimates for the percent claim reduction due to Reinsurance were developed for PYs 2021 – 2030 as follows:

- Set assumptions for the attachment point, Reinsurance cap, and coinsurance percent (varying by rating region)
- Calculated the percent of claims subject to Reinsurance given the identified Reinsurance parameters to determine the percent claim reduction to be applied to the claims portion of premium in the premium projections

Premiums: Premium PMPMs and total for PYs 2021 – 2030 were estimated as follows:

- Started with the estimated PY 2020 claims and NBE portions of premium PMPM developed in the baseline Without Waiver scenario
- Estimated the claims portion of premium by:

    - Applying the same annual claim trend of 5.1% used in the Without Waiver scenario;
    - Applied the percent reduction in claims due to Reinsurance, with a margin for insurer pricing conservatism of 15% as previously noted; and
    - Applied a morbidity improvement for the new enrollees of 0.5% per 1% increase in enrollment based on a study from the American Economic Review.[18]
- Estimated NBE portion of premium using a consistent approach described in the Without Waiver, trending at an annual rate of 4%
- Summed the claims and NBE portions of premium to develop the estimated premium PMPMs

The following table summarizes premiums in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the baseline With Waiver Reinsurance Only estimates.

Table 5.4: Baseline With Waiver Reinsurance Only Premium PMPM

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	$554	$560	$586
Silver	$626	$634	$663
Gold	$799	$733	$766
Average Premium PMPM	**$626**	**$630**	**$659**
On Exchange Unsubsidized			
Bronze	$477	$493	$515
Silver	$505	$528	$552
Gold	$576	$587	$613
Catastrophic	$283	$290	$303
Average Premium PMPM	**$494**	**$511**	**$535**
Off Exchange Unsubsidized			
Bronze	$527	$518	$541
Silver	$548	$540	$564
Gold	$540	$540	$564
Catastrophic	$235	$231	$241
Average Premium PMPM	**$524**	**$517**	**$540**
Total Average Premium PMPM	**$609**	**$613**	**$642**

SLCSP premiums in PYs 2021 – 2030 (as shown in Appendix IV, Table IV.IV) were estimated in the same manner as premiums described in the previous section.

Subsidies: Subsidies (federal APTCs/state subsidies) for PYs 2021 – 2030 were estimated as follows:

[18] Adverse Selection and an Individual Mandate: When Theory Meets Practice, 2015, available at: https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20130758

- Started with the estimated baseline Without Waiver PY 2020 APTC and Net Premium PMPM
- Projected in the same manner as the Without Waiver scenario, utilizing the With Waiver premiums and enrollment and applying adjustments to increase the net premium for members who buy-down to Bronze Plans and decrease the net premium for members who buy-up to Gold Plans

The following table summarizes APTCs in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the baseline With Waiver Reinsurance Only estimates.

Table 5.5: Baseline With Waiver Reinsurance Only APTC PMPM

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	$477	$473	$498
Silver	$559	$563	$591
Gold	$638	$572	$602
Average APTC PMPM	**$553**	**$553**	**$581**

User Fees: Similar to the baseline Without Waiver estimates, the FFE user fee was calculated as 3.5% of the total On Exchange premiums in the With Waiver (Reinsurance Only) scenario. The following table summarizes user fees in PYs 2018, 2021, and 2022 for the baseline With Waiver Reinsurance Only estimates.

Table 5.6: Baseline With Waiver Reinsurance Only User Fees

	PY 2018	PY 2021	PY 2022
Total On Exchange Premium (a)	$2,706,559,418	$2,723,638,515	$2,851,331,570
User Fee % (b)	3.5%	3.5%	3.5%
Total User Fee (a*b)	$94,729,580	$95,327,348	$99,796,605

Health Insurance Providers Fee (HIF): Similar to the Without Waiver estimates, the HIF is calculated as 2.20% of the total premiums calculated in the With Waiver (Reinsurance Only) scenario for PYs 2021 – 2030.

The following table summarizes the HIF in PYs 2018, 2021, and 2022 for the baseline With Waiver Reinsurance Only estimates.

Table 5.7: Baseline With Waiver Reinsurance Only HIF

	PY 2018	PY 2021	PY 2022
Total Individual Premium[I] (a)	$2,848,570,030	$2,861,856,402	$2,996,587,592
HIF % (b)	2.2%	2.2%	2.2%
Total HIF (a*b)	$62,668,541	$62,960,841	$65,924,927

[I] *Includes grandfathered plan premium*

Reinsurance Program Cost: The Reinsurance Program cost in PYs 2021 – 2030 was calculated as follows:

- Determined total claims by multiplying the estimated claims portion of premium PMPM by estimated member months at a rating area level
- Multiplied the percent claim reduction associated with the coinsurance tier-level they are in (see Table 5.2) by the prior amount for each rating area
- Summed to get the statewide reinsurance cost

State and Federal Operating/Administration Costs: The State of Georgia expects the cost of administering the Reinsurance Program to be $750,000 per year based on other state programs. It is further assumed that there will be no increase in federal administrative costs related to the Reinsurance Program.

Section 5.1.3 – With Waiver Reinsurance Only – Baseline Table of Estimates

The following table summarizes total enrollment, premium, APTC, user fees, and HIF in PY 2021, PY 2022, the five-year waiver period, and ten-year projection period. Further, this table summarizes funding estimates under Phase I of the waiver, assuming only Reinsurance throughout the ten-year projection period. Appendix IV contains additional details, including year-by-year estimates, on the With Waiver Reinsurance Only modeling results. The results summarized in the following table are used to compare against the Without Waiver baseline discussed in Section 4.

Table 5.8: Baseline With Waiver Reinsurance Only – Key Figures and Funding Estimates

	PY 2021	PY 2022	5-Year Total	10-Year Total
With Waiver Reinsurance Only				
Total Enrollment[I]	389,268	389,558	389,578	389,713
Total Premium (In $ millions)	$2,862	$2,997	$15,720	$35,517
Total APTC (In $ millions)	$2,212	$2,324	$12,240	$27,914
Total User Fees (In $ millions)	$95	$100	$524	$1,183
Total HIF (In $ millions)	$63	$66	$346	$781
Funding Estimates (In $ millions)				
Program Costs				
Reinsurance Program Cost	$367	$394	$2,112	$5,025
Infrastructure/IT/Operational Cost	$1	$1	$4	$8
Federal Revenue Reductions				
HIF Reduction	$7	$7	$38	$91
FFE User Fees Reduction	$10	$11	$59	$139
State Funding Sources				
Pass Through Funding[II]	($281)	($301)	($1,616)	($3,842)
State Funding Requirement (In $ millions)[III]	**$104**	**$111**	**$597**	**$1,421**

[I] *5-Year and 10-Year Totals are a straight average*

[II] *Prior to offsets from federal revenue reductions*

[III] *Totals may not equal sum of the parts due to rounding*

Section 5.1.4 – With Waiver Reinsurance Only – Sensitivity Testing/Scenario Analysis

Due to a measure of uncertainty associated with some of the assumptions used in this analysis, sensitivity analysis on each of the assumptions was conducted and discussed in detail with the State. Some of the assumptions have minimal impact while others have a more substantial

impact. The most sensitive assumptions are discussed in further detail in this section and are analyzed through scenario tests to demonstrate guardrail compliance. The following table highlights these assumptions.

Table 5.9: Summary of Assumption Ranges for Reinsurance Only Sensitivity Analysis

Assumption	Baseline Value	Range Tested (Low – High)[I]
Insurer Conservatism	15%	10 – 20%
Morbidity Improvement	0.5%	1.00 – 0.00%

[I] Low/High is in relation to the impact on State Funding Requirement (i.e., the low value decreases state funding requirement and high value increases it)

The following table summarizes the results of the sensitivity analysis. Results are shown for PY 2021 – the first year of the Reinsurance Program. Average statewide premium decreases range from 9.3% to 10.7%, pass through funding (prior to offsets from federal revenue reductions) ranges from $265 million to $298 million, and estimated state funding requirement ranges from $87 million to $120 million.

Table 5.10: Reinsurance Only Sensitivity Analysis – PY 2021

Scenario	1 - Baseline	2 - Worse Experience	3 - Better Experience
With Waiver Reinsurance Only			
Enrollment Change (%)	0.4%	0.4%	0.4%
Premium Change (%)	-10.0%	-9.3%	-10.7%
APTC Change (In $ millions)	($281)	($265)	($298)
User Fees Change (In $ millions)	($10)	($10)	($11)
HIF Change (In $ millions)	($7)	($6)	($7)
Funding Estimates (In $ millions)			
Program Costs			
Reinsurance Program Cost	$367	$368	$366
Infrastructure/IT/Operational Cost	$1	$1	$1
Federal Revenue Reductions			
HIF Reduction	$7	$6	$7
FFE User Fees Reduction	$10	$10	$11
State Funding Sources			
Pass Through Funding[I]	($281)	($265)	($298)
State Funding Requirement (In $ millions)[II]	**$104**	**$120**	**$87**

[I] *Prior to offsets from federal revenue reductions*

[II] *Totals may not equal sum of the parts due to rounding*

Section 5.2 – With Waiver Georgia Access Only

The Georgia Access Model expands consumer access by allowing individuals to shop for and compare available plans through multiple channels. Residents may use commercial market web-brokers or buy directly from carriers and still receive state subsidies, if eligible.

The State will certify plans eligible for state subsidies. Under the waiver, the State will continue to certify metal level QHPs and Catastrophic Plans offered today through the FFE. This actuarial analysis assumes these plans will be available at the same rates today, before estimating the

impact caused by the implementation of Reinsurance and new enrollees in the market. In addition, the State will certify Eligible non-QHPs to provide residents with expanded access to affordable health care coverage options. Eligible non-QHPs may have greater flexibility to develop innovative plan design options, but in order to be eligible for subsidies these plans must be in the single risk pool, maintain protections for those with pre-existing condition, maintain other consumer protections as defined in the waiver, and not be medically underwritten.

The two types of Eligible non-QHPs the State is considering certifying for PY 2022 are Copper Plans and Disease Management Plans.

1. Copper Plans must cover all ten EHBs and cover at least the services defined in the State's EHB benchmark plan at a 50% actuarial value. Copper Plans may have larger out-of-pocket maximums than the other metal level plans. Copper Plans are projected to have 17% lower premiums than Bronze Plans.
2. Disease Management Plans must cover all ten EHB categories and be assigned a metal level. These plans will continue to be in the single risk pool and may not deny coverage based on health status. However, the plans are designed to provide specialized care and case management to help individuals better manage and prevent the progression of disease. Carriers will have the flexibility to select the condition and design plans that address multifaceted high-cost conditions such as diabetes, cardiovascular disease, HIV/AIDS, or other complex health conditions. In order to provide enriched benefits to manage diseases and still maintain affordability compared to the QHPs, these plans will be granted flexibility in meeting other QHP requirements. Examples of these flexibilities may include: more specialized networks (e.g., Center of Excellence), different deductibles for services related to disease management versus other non-disease-related healthcare services, and flexibility in meeting other covered services and copays as defined by the State's EHB benchmark plans, so long as the plan meets the metal level cost-sharing requirements. Disease Management Plans are expected to primarily appeal to individuals who are currently buying in the individual market.

The federal risk adjustment program is expected to work similarly to how it does today for these two Eligible non-QHPs. The State may seek to certify additional plan types based upon identified need, actuarial analysis, and approval from CMS and the Treasury Department in accordance with the STCs that would be issued by the Departments for this waiver upon approval.

Section 5.2.1 – With Waiver Georgia Access – Copper Modeling Overview

We first modeled the change in enrollment by metal level. There are three population subsets we considered:

1. Currently enrolled metal level QHP members who buy-down to Copper Plans
2. Currently uninsured individuals who join the market by purchasing either a Copper Plan or metal level QHP
3. Currently enrolled metal level QHP members who remain in their current plan

Baseline assumptions were developed surrounding the migration population (#2) and new enrollment population (#3) as discussed in further detail in Section 5.2.2.

The impact of the overall health in the single risk pool was then modeled. As previously mentioned, Copper Plans are included in the single risk pool along with other metal level QHPs. Therefore, members who migrate from existing QHPs to Copper Plans will remain in the single risk pool and result in no change to the overall health of the pool. However, these members produce the risk for adverse selection since healthier members are expected to buy-down to lower priced Copper Plans. An adverse selection adjustment is developed to account for this factor. New members entering the market will increase or decrease the health of the pool depending on their relative risk. To estimate the relative cost for migrating and new enrollees, risk scores were estimated for the current and new populations to reflect the health status of the With Waiver population. A risk score factor is developed by comparing the change in the weighted-average market-wide risk score.

The adverse selection and risk score factors are applied to the starting overall premium PMPM. Metal level premiums (including Copper) were then calculated based on the benefit value (i.e., actuarial value) of the plan.

Section 5.2.2 – With Waiver Georgia Access Only – Copper Assumptions and Parameters

Enrollment Migration: We modeled the enrollment migration from members in Bronze Plans, as these members are already willing to buy-down (from Silver) and could seek to buy-down further. It was estimated that subsidized Bronze members between 100 – 200% FPL could be receiving free or highly inexpensive Bronze Plans today based on federal APTCs and therefore do not have an incentive to buy-down further. This represents approximately 35% of the currently enrolled Bronze population. Of the remaining 65%, there is a bi-modal distribution. Members who are currently hitting the out-of-pocket (OOP) maximum do not have an incentive to purchase a Copper Plan, since it will have a higher OOP max. However, members not hitting the OOP max will have a tradeoff decision to make between lower premiums and the risk of assuming higher OOP costs. We modeled that 50% (of the 65%) of members would buy-down, based on a study from Avalere Health.[19]

New Enrollment: Between 2017 – 2019, Georgia experienced a decrease of approximately 35,000 individuals selecting and enrolling in plans on the FFE; 92% of whom were not subsidy-eligible.[20] We modeled a baseline scenario of the same number of individuals (35,000) re-joining the market due to the Georgia Access Model. This increase is a result of a blend of increased accessed and web-broker marketing efforts (resulting in enrollment increases in Copper, Bronze, and Silver Plans) as well as enrollment increases specifically due to availability of lower premium plans with the addition of Copper Plans.

[19] Avalere Study, available at: https://avalere.com/insights/avalere-analysis-copper-plan-alternative-would-lower-premiums-18
[20] CMS Marketplace Open Enrollment Period OEP State-Level Public Use Files

The former population (those enrolling as a result of increased access and web-broker outreach) is estimated to enroll 25,000 individuals. It is not expected that web-brokers will gear marketing efforts towards a specific income base; therefore, the increased enrollment is assumed to reflect that of the makeup of the current uninsured population over 100% FPL, of which approximately 85% are subsidy-eligible.[21]

The latter population (those enrolling due to the availability of lower premium Copper Plans) is estimated to enroll 10,000 individuals. This group is entering the market specifically due to the addition of lower premium cost Copper Plans. Because this population is likely more price sensitive, the analysis assumed the increased enrollment reflects the makeup of the population who left between 2017 – 2019, of which 92% were unsubsidized. Of the 8% who are subsidized, it is expected that these members to have incomes between 300 – 400% FPL, since individuals in this income bracket are more price sensitive due to receiving lower federal APTCs.

Health Status/Risk Scores: Estimated risk scores were used to approximate the cost differential across the current population enrolled in the different metal level plans and those new to the market. Risk scores for the Georgia individual market were unavailable for this analysis. Therefore, to estimate starting risk scores of the currently enrolled population, this analysis took a weighted average of the On/Off Exchange risk scores from the 2018 Risk Adjustment Summary Report and Georgia enrollment figures. This was done at each metal level to determine metal level specific risk scores of 0.902, 1.764, and 2.160 for Bronze, Silver, and Gold respectively. The average individual market risk score, weighted by metal level enrollment, is 1.650.

Although it is expected that new members from the uninsured population will be healthier than the currently enrolled population, it is highly uncertain to what degree they will be healthier. Using a study from the American Economic Council[22], it is estimated that newly enrolled individuals from the uninsured will be 73% healthier than actively enrolled individuals; therefore, a risk score of 1.205 for all new enrollees – 27% lower than the market average of 1.650 – was applied.

Adverse Selection: With the introduction of Copper Plans, members will have greater opportunity to "buy-down" to cheaper plans (i.e., pay less premium) while still contributing the same amount of claims to the single risk pool. The impact was modeled by:

- Calculating the total premium prior to any enrollment shift
- Calculating the total premium after enrollment shift to Copper Plans assuming no change in the PMPM premiums at each metal level
- Calculating the percentage of premium lost due to members buying-down (difference between first two calculations)

[21] U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates, available at: https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml
[22] Adverse Selection and an Individual Mandate: When Theory Meets Practice, 2015, available at: https://pubs.aeaweb.org/doi/pdfplus/10.1257/aer.20130758

- Multiplying this percentage by an estimated selection factor (i.e., the percent reduction in paid claims when members buy-down). The most conservative assumption is a factor of 1.0, which would reflect that everyone who bought down incurs no claims (i.e., carriers bear the full cost of members buying-down)

The resulting factor then represents the adverse selection adjustment.

Section 5.2.3 – With Waiver Georgia Access Only – Copper Plan Detailed Assumptions Table

The following tables support our baseline estimates. The former provides detailed support surrounding each assumption and the latter provides an additional breakout of the new enrollment due to increased web-broker marketing efforts and the availability of Eligible non-QHPs. Due to the uncertainty in how the market (carriers and consumers) will react, this analysis modeled the sensitivity around each assumption and modeled various scenarios, primarily reflecting worse experience than the baseline to demonstrate compliance with each of the four guardrails under adverse assumptions.

Table 5.11: Detailed Summary of Copper Plan Modeling Assumptions

Assumption	Baseline Value	Baseline Assumption Support
Enrollment Migration from Bronze to Copper Plans	32.5%	• Estimated 35% eligible for free Bronze Plans; therefore, do not buy-down • Of remaining 65%, assumed 50% buy-down
New Enrollment[I]	35,000	• Roughly 35,000 people left the individual market between 2017 – 2019. Modeled the impact of 35,000 re-joining
Copper – Subsidized	10,363	• Majority of subsidized enrollment is due to increased web-broker marketing, leading to increased enrollment across metal levels • Additional subsidized enrollment into Copper Plans from members closer to 400% FPL (i.e., receive a lower subsidy) and now find Copper Plan premiums affordable
Bronze – Subsidized	9,563	
Silver – Subsidized	2,125	
Copper – Unsubsidized	12,200	• Majority of unsubsidized enrollment due to addition of lower-cost Copper Plans into individual market since unsubsidized members are more price sensitive • Additional unsubsidized enrollment into Copper and Bronze Plans due to increased web-broker marketing efforts
Bronze – Unsubsidized	750	
Silver – Unsubsidized	0	
Risk Scores (New Population)		
Copper	1.205	• Assumes new enrollees are 27% healthier than the current market
Bronze	1.205	
Silver	1.205	
Adverse Selection	0.38%	• Calculated assuming a 0.50 selection factor

[I]Totals may not equal sum of the parts due to rounding

Table 5.12: Detailed Copper Plan New Enrollment Modeling Assumptions

Population Group	Increased Web-Broker Marketing Efforts	Availability of Eligible Non-QHPs	Total
Total New Enrollment[I]	25,000	10,000	35,000
Subsidized[I]	21,250	800	22,050
Copper	9,563	800	10,363
Bronze	9,563	0	9,563
Silver	2,125	0	2,125
Unsubsidized[I]	3,750	9,200	12,950
Copper	3,000	9,200	12,200
Bronze	750	0	750

[I]Totals may not equal sum of the parts due to rounding

Under these baseline assumptions, this analysis modeled a roughly 1.9% decrease in metal level QHP premiums. This is primarily driven by an improvement in the overall market risk score due to new members entering the market whose health status (risk scores) are better than the current market-wide average. The decrease in overall premiums (QHP and Copper Plans) is modeled to be roughly 4.3%, driven by the inclusion of lower cost Copper Plans in the market.

Section 5.2.4 – With Waiver Georgia Access Only – Copper Plan Sensitivity/Scenario Analysis

The following table summarizes the range of values for each assumption we sensitivity tested. Sensitivity testing typically focused on increased conservatism to demonstrate compliance with the four guardrails even under worse than expected scenarios.

Table 5.13: Summary of Assumption Ranges for Copper Plan Sensitivity Analysis

Assumption	Baseline Value	Scenario Tested Range
Enrollment Migration from Bronze to Copper	32.5%	20 – 50%
New Enrollment[I]	35,000	0 – 35,000
Copper – Subsidized	10,363	0 – 10,363
Bronze – Subsidized	9,563	0 – 35,000
Silver – Subsidized	2,125	0 – 35,000
Copper – Unsubsidized	12,200	0 – 12,200
Bronze – Unsubsidized	750	0 – 750
Silver – Unsubsidized	0	0
Risk Scores (New Population)		
Copper	1.205	0.902 – 2.160
Bronze	1.205	0.902 – 2.160
Silver	1.205	1.764 – 2.160
Adverse Selection	0.38%	0.38 – 1.18%

[I]Totals may not equal sum of the parts due to rounding

The following table summarizes each scenario test, including the assumptions and impact to premiums. A negative premium change reflects a decrease in premiums and “B”, “S”, “G” all refer to metal level QHPs (i.e., Bronze, Silver, Gold). The total premium change impact includes Copper Plan premiums (denoted as “C”); therefore, the impact is more dramatic as these plans

are cheaper than all current metal level QHPs. It is important to note that the premium change impacts exclude the impact due to Reinsurance.

Table 5.14: Copper Plan Sensitivity Analysis – Impact to QHP and Total Premiums

	Migration to Copper Enrollment				New Enrollment				New Population Health Status (Risk Score)				Adverse Selection	Premium Change (%)				
Scenario	C	B	S	G	C	B	S	G	C	B	S	G	All	C	B	S	G	Total[1]
Base		32.5%	0.0%	0.0%	22,563	10,313	2,125	0	1.205	1.205	1.205		0.38%	N/A	-1.9%	-1.9%	-1.9%	-4.3%
1		32.5%	0.0%	0.0%	22,563	10,313	2,125	0	1.205	1.205	1.205		0.76%	N/A	-1.5%	-1.5%	-1.5%	-4.0%
2		50.0%	0.0%	0.0%	22,563	10,313	2,125	0	1.205	1.205	1.205		1.18%	N/A	-1.1%	-1.1%	-1.1%	-3.9%
3		20.0%	0.0%	0.0%	22,563	10,313	2,125	0	1.205	1.205	1.205		0.47%	N/A	-1.8%	-1.8%	-1.8%	-4.0%
4		32.5%	0.0%	0.0%	0	0	0	0					0.76%	N/A	0.8%	0.8%	0.8%	0.0%
5		50.0%	0.0%	0.0%	0	0	0	0					1.18%	N/A	1.2%	1.2%	1.2%	0.0%
6		32.5%	0.0%	0.0%	0	35,000	0	0		1.205			0.76%	N/A	-1.5%	-1.5%	-1.5%	-3.3%
7		32.5%	0.0%	0.0%	0	0	35,000	0			1.205		0.76%	N/A	-1.5%	-1.5%	-1.5%	-2.1%
8		32.5%	0.0%	0.0%	22,563	10,313	2,125	0	1.650	1.650	1.650		0.76%	N/A	0.8%	0.8%	0.8%	-1.7%
9		32.5%	0.0%	0.0%	22,563	10,313	2,125	0	2.160	2.160	2.160		0.76%	N/A	3.4%	3.4%	3.4%	0.8%
10		32.5%	0.0%	0.0%	22,563	10,313	2,125	0	0.902	0.902	1.764		0.76%	N/A	-2.8%	-2.8%	-2.8%	-5.2%

[1] *Total Premium Impact lower due to inclusion of Copper Plan premium (i.e., includes Eligible non-QHPs)*

Key results from scenario testing are highlighted below:

- The worse experience scenario that was modeled – illustrated in Scenario 9 in which all the newly enrolled have Gold level risk scores (greater than average risk score of 1.650) – results in a 3.4% increase to QHP premiums. This is absent the impact due to Reinsurance. As noted in Table 5.2, the lowest premium decrease due to Reinsurance is 4.8% in Tier 1. Therefore, when combining the Reinsurance Program with the worse experience scenario in the Georgia Access Model, QHP premiums still result in an overall decrease relative to the Without Waiver baseline scenario. In addition, the overall individual market premium change decreases in each tier when evaluating both Reinsurance and Copper Plans.
- A similar result as described above is seen if the Georgia Access Model results in migration from QHPs to Copper Plans but no new enrollment from the uninsured (Scenarios 4 and 5), or if the new enrollees all have risk scores equal to the market average of 1.650 (Scenario 8).
- In all scenarios, QHP premiums either decrease as a result of the Georgia Access Model, or result in increases that are more than offset by the Reinsurance Program.

Section 5.2.5 – With Waiver Georgia Access Only – Disease Management Plan Modeling Overview

After developing the baseline assumptions of Copper Plans, we modeled the impact of the entry of new Disease Management Plans into the market. Although multiple forms of plans could enter the market (e.g., diabetes, HIV/AIDS, cardiovascular), there is no material impact of including multiple types of disease-specific plans in the model and no significant variation in results between diseases. This is primarily driven by the assumption that those purchasing disease-specific plans are likely to already be purchasing a plan on the individual market today. For developing baseline assumptions and simplicity, this analysis focused on diabetes Disease Management Plans.

The modeling approach is similar to the approach taken for Copper Plans. This analysis first modeled the change in enrollment by metal level. There are three population subsets we considered:

1. Currently enrolled metal level QHP members who remain in their current plan
2. Currently enrolled metal level QHP members who migrate to Disease Management Plans
3. Currently uninsured individuals who join the market to purchase a Disease Management Plans

Baseline assumptions were developed surrounding the migration population (#2) and new enrollment population (#3) as discussed in further detail below.

This analysis then modeled the impact of the overall health in the single risk pool. As previously mentioned, Disease Management Plans are included in the single risk pool along with other metal level QHPs. Therefore, members who migrate from existing QHPs to Disease Management Plans will remain in the single risk pool and result in no change to the overall health of the pool. Further, because Disease Management Plans have an actuarial value at the same level as current QHPs, there is no premium differential between a metal level QHP and a Disease Management Plan of the same metal level (e.g., a Silver level QHP is similarly priced to a Silver level Disease Management Plan).

New members entering the market will increase or decrease the health of the pool depending on their relative health. Similar to the Copper modeling, risk scores were used to estimate the impact of health status of current and new enrollment.

The relationship between adverse selection and care management was then modeled. Adverse selection results from an increase in net plan liability for disease-specific services (with little to no reduction in claims costs of services the insurer cuts back on) for members who migrate to a Disease Management Plan. However, plans are only incentivized to join this market if they can at least offset this impact with enhanced care management services. An adverse selection/care management factor was developed to account for the estimated change in net plan liability.

The adverse selection/care management and risk score factors are applied to the starting overall premium PMPM. Metal level premiums (including Copper) were then calculated based on the benefit value (i.e., actuarial value) of the plan.

Section 5.2.6 – With Waiver Georgia Access Only – Disease Assumptions and Parameters

Enrollment Migration: Condition-specific data for the Georgia individual market was unavailable for this analysis. Therefore, data from the American Diabetes Association (ADA) was used to estimate the prevalence of diabetes. The data showed roughly 14.2% of the Georgia population has diabetes, therefore, as a baseline assumption we assumed 14.2% of people in each QHP metal level will migrate to a Disease Management Plan. We assumed that members would only migrate within the same metal level (e.g., a member in a Silver QHP would migrate to a Silver Disease Management Plan).

New Enrollment: For the baseline scenario, this analysis did not assume any new enrollment from the uninsured, since disease-related members are likely to already have coverage. Further, there is no premium variation between current metal level QHPs and metal level Disease Management Plans, therefore uninsured disease members who are foregoing coverage due to unaffordability still would not have an incentive to enter the market due to the introduction of these plans.

Health Status/Risk Scores: Member migration from QHPs to Disease Management Plans does not alter the market average health status (risk score). While our baseline assumptions assume no new enrollment from the uninsured, this analysis ran scenarios that included new enrollment of more costly individuals. This analysis assumed the new and transitioning populations of diabetes members incurs medical expenses 2.3 times higher than average, as found in research from the ADA.[23]

Adverse Selection/Care Management: Plans would not have an incentive of offering Disease Management Plans if they cannot at least offset the adverse selection impact with enhanced care management services. For the baseline scenario we estimated that these impacts would offset each other.

Section 5.2.7 – With Waiver Georgia Access Only – Disease Detailed Assumptions Table

The following table supports the baseline assumptions. Due to the uncertainty in how the market (carriers and consumers) will react, this analysis modeled the sensitivity around each assumption and modeled various scenarios, primarily reflecting worse experience than the baseline to demonstrate compliance with each of the four guardrails under adverse assumptions.

Table 5.15: Detailed Summary of Disease Management Plan Modeling Assumptions

Assumption	Baseline Value	Baseline Assumption Support
Enrollment Migration from Metal Level QHPs to Disease Management Plans (applies to Bronze, Silver, and Gold)	14.2%	• 14.2% of Georgians have diabetes according to the ADA
New Enrollment	0	• Disease-related members are likely to already have coverage
Risk Scores (New Population)	N/A	• Not applicable under baseline scenario since there is no new enrollment and care management offsets adverse selection impact of migrating members
Adverse Selection/Care Management	0%	• Assumed that plans would be able to offset adverse selection impact with enhanced care management services, otherwise there is no incentive to offer these plans

[23] ADA Burden of Diabetes in GA, available at: https://theveranda.org/images/pdf/Burden-of-Diabetes-in-Georgia.pdf

Under these baseline assumptions, we modeled no additional premium change versus the Copper Plan only scenario (which resulted in a roughly 1.9% decrease in metal level QHP premiums). The drivers resulting in no additional premium change include:

- No premium variation between metal level QHPs and the associated metal level Disease Management Plans
- No new enrollment, therefore the market risk pool remains the same
- No change to the overall morbidity level in the market, as adverse selection is offset by care management

Section 5.2.8 – With Waiver Georgia Access Only – Disease Sensitivity Testing/Scenario Analysis

The following table summarizes the range of values for each assumption we sensitivity tested. Sensitivity testing typically focused on increased conservatism to demonstrate compliance with the four guardrails even under worse experience scenarios.

Table 5.16: Summary of Assumption Ranges for Disease Management Plan Sensitivity Analysis

Assumption	Baseline Value	Scenario Tested Range
Enrollment Migration from Metal Level QHPs to Disease Management Plans (applies to Bronze, Silver, and Gold)	14.2%	N/A
New Enrollment	0	0 – 1,000
Risk Scores (New Population)	N/A	Bronze: 3.795 – 10.0 Silver: 3.795 – 10.0 Gold: 3.795 – 10.0
Adverse Selection/Care Management	0%	-1.00% – 2.00%

The following table summarizes each scenario test, including the assumptions and impact to premiums. A negative premium change reflects a decrease in premiums and "B", "S", "G" all refer to metal level QHPs (i.e., Bronze, Silver, and Gold). The total premium change impact includes Copper Plan premiums (denoted as "C"); therefore, the impact is more dramatic as these plans are cheaper than all current metal level QHPs. As previously mentioned, Disease Management Plans include the impact of the baseline Copper Plan assumptions. Therefore, the baseline scenario as well as scenarios labeled 1 through 5 in the table below include the assumptions made in the Copper Plan baseline scenario (refer to Table 5.13 of Section 5.2.4). In addition, better and worse experience scenarios reflecting both Copper and Disease Management Plans were analyzed. The final two scenarios listed in the following table specify the associated Copper and Disease Management Plan scenario assumptions (e.g., "Copper 5 & Disease 2" applies the assumptions in Copper Scenario 5 & Disease Scenario 2). Note that the premium impact for each scenario, displayed in the following table, exclude the impact due to Reinsurance.

Table 5.17: Disease Management Plan Sensitivity Analysis – Impact to QHP and Total Premium

	Migration to Copper & Disease Enrollment				New Enrollment				Transition/New Population Health Status (Risk Score)				Adv. Sel. & CM[II]	Premium Change (%)				
Disease Scenario	C	B	S	G	C	B	S	G	C	B	S	G	All	C	B	S	G	Total[I]
Base		14.2%	14.2%	14.2%		0	0	0		3.795	3.795	3.795	0.00%	N/A	-1.9%	-1.9%	-1.9%	-4.3%
1		14.2%	14.2%	14.2%		0	0	0		3.795	3.795	3.795	1.00%	N/A	-1.6%	-1.6%	-1.6%	-4.0%
2		14.2%	14.2%	14.2%		0	0	0		3.795	3.795	3.795	2.00%	N/A	-1.3%	-1.3%	-1.3%	-3.7%
3		14.2%	14.2%	14.2%		0	0	0		10.000	10.000	10.000	1.00%	N/A	-1.1%	-1.1%	-1.1%	-3.6%
4		14.2%	14.2%	14.2%		0	0	0		3.795	3.795	3.795	-1.00%	N/A	-2.2%	-2.2%	-2.2%	-4.6%
5		14.2%	14.2%	14.2%		0	0	1,000		3.795	3.795	3.795	0.00%	N/A	-1.6%	-1.6%	-1.6%	-4.0%
Copper 5 & Disease 2		14.2%	14.2%	14.2%		0	0	0		3.795	3.795	3.795	2.00%	N/A	1.8%	1.8%	1.8%	0.7%
Copper 10 & Disease 4		14.2%	14.2%	14.2%		0	0	0		3.795	3.795	3.795	-1.00%	N/A	-3.1%	-3.1%	-3.1%	-5.5%

[I] *Total Premium Impact higher due to inclusion of Copper Plan premium (i.e., includes Eligible non-QHPs)*

[II] *Adv. Sel. = Adverse Selection/Enhanced Benefit Impact, CM = Care Management*

Key results from scenario testing are highlighted below:

- Assuming the baseline Copper scenario as the base for Disease Management Plans, the modeling shows limited impact of adding Disease Management Plans to the market. In each scenario, both the QHP premiums and aggregate market premiums decrease.
- Scenario "Copper 5 & Disease 2" reflects a scenario in which (1) there is no new enrollment into Eligible non-QHPs, (2) there is higher enrollment migration from Bronze QHPs to Copper Plans, (3) adverse selection into Copper Plans is maximized, and (4) Disease Management carriers are ineffective at managing costs. This worse experience scenario increases QHP premiums 1.8%, however, this is absent the impact due to Reinsurance which more than offsets the premium increase in all Reinsurance tiers.

Section 5.3 – With Waiver Reinsurance and Georgia Access

This section describes the assumptions and methodology used to develop the With Waiver estimates due to implementation of the Georgia Access Model in conjunction with the Reinsurance Program effective in PY 2022. It highlights any differences in the With Waiver Reinsurance Only estimates as compared to Section 5.1. Note that the tables provided in this section do not explicitly split out Disease Management Plans. These plans have the same premium as their associated metal level QHP, therefore they are included together. Please refer to Appendix V for more detailed summaries, including a breakout of Disease Management Plans.

Section 5.3.1 – With Waiver Reinsurance and Georgia Access – Assumptions and Parameters

Enrollment: The Georgia Access Model is expected to result in an enrollment increase in the market in addition to an enrollment increase resulting from the Reinsurance Program, as described in Section 5.1. The Georgia Access Model provides access to individuals to purchase Eligible non-QHPs. This is expected to increase enrollment from the currently uninsured. It is also expected that some currently insured members will purchase an Eligible non-QHP rather than a metal level QHP. To date, no other state has pursued this type of model. The actuarial model is based on reasonable assumptions and sensitivity/scenario analysis, but the magnitude of

these enrollment impacts is uncertain. Refer to Section 5.2 for detailed assumptions and methodology used to estimate baseline enrollment assumptions.

The following table summarizes enrollment in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the With Waiver Reinsurance and Georgia Access estimates. Note that enrollment figures provided are annualized assuming twelve member months per member.

Table 5.18: Baseline With Waiver Reinsurance and Georgia Access Enrollment

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	39,769	39,769	36,406
Silver	277,771	277,771	279,896
Gold	16,044	16,044	16,044
Copper	N/A	N/A	23,287
Average Annual Enrollment[I]	**333,584**	**333,584**	**355,634**
On Exchange Unsubsidized			
Bronze	13,320	12,961	9,654
Silver	13,228	12,837	12,984
Gold	5,637	5,503	5,572
Catastrophic	1,794	1,747	1,935
Copper	N/A	N/A	16,412
Average Annual Enrollment[I]	**33,978**	**33,048**	**46,558**
Off Exchange Unsubsidized			
Bronze	9,656	9,502	6,548
Silver	8,941	8,793	8,917
Gold	2,497	2,448	2,481
Catastrophic	935	920	926
Copper	N/A	N/A	3,088
Average Annual Enrollment[I]	**22,029**	**21,663**	**21,959**
Total Average Annual Enrollment[I]	**389,592**	**388,295**	**424,152**

[I] *Totals may not equal sum of the parts due to rounding*

Claims: These projections are only used to determine the impact of the Reinsurance Program on reducing claims costs. Therefore, there is no change versus Section 5.1.

Premiums: Refer to Section 5.2 for detailed descriptions on the assumptions and methodology used to estimate premiums of Copper Plans and Disease Management Plans, as well as the impact to QHP premiums.

The following table summarizes premiums in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the baseline With Waiver Reinsurance and Georgia Access estimates.

Table 5.19: Baseline With Waiver Reinsurance and Georgia Access Premium PMPM

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	$554	$560	$575
Silver	$626	$634	$651
Gold	$799	$733	$751
Copper	N/A	N/A	$479
Average Premium PMPM	**$626**	**$630**	**$637**
On Exchange Unsubsidized			
Bronze	$477	$493	$504
Silver	$505	$528	$540
Gold	$576	$587	$600
Catastrophic	$283	$290	$303
Copper	N/A	N/A	$422
Average Premium PMPM	**$494**	**$511**	**$488**
Off Exchange Unsubsidized			
Bronze	$527	$518	$529
Silver	$548	$540	$552
Gold	$540	$540	$552
Catastrophic	$235	$231	$241
Copper	N/A	N/A	$443
Average Premium PMPM	**$524**	**$517**	**$517**
Total Average Premium PMPM	**$609**	**$613**	**$614**

The SLCSP premium will continue to be tied to QHPs. SLCSP premiums are expected to slightly decrease as a result of the Georgia Access Model as described in further detail in Section 5.2.

Eligible non-QHPs: Eligible non-QHPs include Copper Plans and Disease Management Plans as described in Section 5.2. The actuarial modeling assumes that currently available QHPs will continue to be available in all rating areas.

Subsidies: Georgia is assuming responsibility for the subsidies, so federal pass through funding assumed to be received is the entire Without Waiver estimated APTC, reduced by the estimated decrease in HIF.

The Georgia Access Model allows individuals to apply state subsidies toward the purchase of Eligible non-QHPs. As described in Section 5.2, the introduction of Eligible non-QHPs is modeled to decrease premiums for currently available QHPs, including the SLCSP, by 1.9% (note that this does not include the additional premium reduction as a result of the Reinsurance Program). Because Georgia's state subsidies, for the actuarial modeling, assumes the same federal subsidy structure in PY 2022, and each year of the waiver, this premium decrease also decreases the average state subsidy.

The modeling assumes that a portion of subsidized members between 200 – 400% of the FPL would buy down to Copper Plans, whereas subsidized members between 100 – 200% of the FPL

would retain their Bronze Plans. Because state subsidies decrease as income increases, average state subsidies for members purchasing Copper Plans are likely lower on average than those purchasing Bronze Plans. However, because subsidy data was not available by income level, this analysis conservatively assumed that the average state subsidy for those purchasing a Copper Plan will be similar to members who buy-down to currently available Bronze Plans. Further, subsidized members who transition from a metal level QHP to an associated metal level Disease Management Plan will experience no change in subsidy (i.e., state subsidies for Silver QHPs is the same as a Silver Disease Management Plan).

The following table summarizes APTCs/state subsidies in PYs 2018, 2021, and 2022 by metal level (including catastrophic), exchange status, and subsidy eligibility for the baseline With Waiver Reinsurance and Georgia Access estimates.

Table 5.20: Baseline With Waiver Reinsurance and Georgia Access APTC PMPM

	PY 2018	PY 2021	PY 2022
On Exchange Subsidized			
Bronze	$477	$473	$487
Silver	$559	$563	$578
Gold	$638	$572	$587
Copper	N/A	N/A	$474
Average APTC PMPM	**$553**	**$553**	**$562**

FFE User Fees: With the implementation of the Georgia Access Model, Georgia will no longer be using the FFE. This analysis assumes Georgia will charge a state-collected user fee applied to all plans sold within the Georgia Access Model (including Copper Plans and Disease Management Plans) similar to the FFE user fee.

The following table summarizes user fees in PYs 2018, 2021, and 2022 for the baseline With Waiver Reinsurance and Georgia Access estimates.

Table 5.21: Baseline With Waiver Reinsurance and Georgia Access User Fees

	PY 2018	PY 2021	PY 2022
Total On Exchange Premium (a)	$2,706,559,418	$2,723,638,515	$2,989,578,944
User Fee % (b)	3.5%	3.5%	3.5%
Total User Fee (a*b)	$94,729,580	$95,327,348	$104,635,263

HIF: No changes have been applied to the methodology or assumptions in determining the HIF due to the implementation of the Georgia Access Model. Because of the additional enrollment increase, the federal government can expect to receive additional revenue from a larger member base paying premiums.

The following table summarizes the HIF in PYs 2018, 2021, and 2022 for the baseline With Waiver Reinsurance and Georgia Access estimates.

Table 5.22: Baseline With Waiver Reinsurance and Georgia Access HIF

	PY 2018	PY 2021	PY 2022
Total Individual Premium[1] (a)	$2,848,570,030	$2,861,856,402	$3,129,648,645
HIF % (b)	2.2%	2.2%	2.2%
Total HIF (a*b)	$62,668,541	$62,960,841	$68,852,270

[1] *Includes grandfathered plan premium*

Reinsurance Program Cost: This analysis did not make any changes to the methodology or assumptions in determining the Reinsurance Program cost due to the implementation of the Georgia Access Model. Because of the additional enrollment increase, there is a larger member base for claims to be covered by reinsurance, therefore, reinsurance program costs will increase. Both Copper Plans and Disease Management Plans will be subject to the Reinsurance Program.

State and Federal Operating/Administration Costs: The State of Georgia anticipates the initial cost to implement the Georgia Access Model prior to PY 2022 to be $13.5 million. Thereafter, the State expects $5 million in annual administrative/operating costs between PY 2022 and PY 2030. We assume no additional federal costs.

Section 5.3.2 – With Waiver Reinsurance and Georgia Access – Baseline Table of Estimates

The following table summarizes total enrollment, premium, APTC/state subsidy, user fees, and HIF in PY 2021, PY 2022, the 5-year waiver period, and 10-year projection period. Further, this table summarizes funding estimates under Phase II of the waiver, which assumes Reinsurance only in PY 2021, followed by Reinsurance and Georgia Access in conjunction throughout the remainder of the 10-year projection period. Appendix V contains additional details, including year-by-year estimates, on the With Waiver Reinsurance and Georgia Access modeling results. The results summarized below are used to compare against the Without Waiver baseline discussed in Section 4.

Table 5.23: Baseline With Waiver Reinsurance and Georgia Access – Key Figures and Funding Estimates

	PY 2021	PY 2022	5-Year Total	10-Year Total
With Waiver Reinsurance and Georgia Access				
Total Enrollment[I]	389,268	425,124	418,060	421,754
Total Premium (In $ millions)	$2,862	$3,130	$16,291	$36,969
Total APTC (In $ millions)	$2,212	$2,399	$12,560	$28,730
Total User Fees (In $ millions)	$95	$105	$544	$1,236
Total HIF (In $ millions)	$63	$69	$358	$813
Funding Estimates (In $ millions)				
Program Costs				
Reinsurance Program Cost	$367	$419	$2,223	$5,321
State Subsidies	$0	$2,399	$10,348	$26,518
Infrastructure/IT/Operational Cost (Reinsurance)	$1	$1	$4	$8
Infrastructure/IT/Operational Cost (Georgia Access)	$0	$19	$34	$59
Federal Revenue Reductions				
HIF Reduction	$7	$4	$26	$59
FFE User Fees Reduction	$10	$0	$10	$10
State Funding Sources				
State User Fees	$0	($105)	($449)	($1,140)
Pass Through Funding[II]	($281)	($2,625)	($11,644)	($29,545)
State Funding Requirement (In $ millions)[III]	**$104**	**$111**	**$551**	**$1,290**

[I] *5-Year and 10-Year Totals are a straight average*

[II] *Prior to offsets from federal revenue reductions*

[III] *Totals may not equal sum of the parts due to rounding*

Section 5.3.3 – With Waiver Reinsurance and Georgia Access – Sensitivity Testing/Scenario Analysis

Due to the uncertainty surrounding some of the assumptions used in the analysis of the Georgia Access Model and its impact when combined with the Reinsurance Program, sensitivity analysis was conducted and discussed in detail with the State to ensure guardrail compliance. This analysis builds off the sensitivity analysis conducted in Section 5.2.8. The following table outlines the scenarios and assumptions tested.

Table 5.24: Summary of Scenario Assumptions for Reinsurance and Georgia Access Sensitivity Analysis

Scenario	1 - Baseline	2 – Worse Experience	3 – Better Experience
Associated Scenarios	Reinsurance Base Copper Base Disease Base	Reinsurance Base Copper 5 Disease 2	Reinsurance Base Copper 10 Disease 4
QHP Premium Impact Absent Reinsurance Program	-1.9%	+1.8%	-3.1%
% QHP Bronze Members Transition to Copper	32.5%	50%	32.5%
Additional # Subsidized Enrollees - Total[I]	22,050	0	22,050
Copper	10,363	0	10,363
Bronze	9,563	0	9,563
Silver	2,125	0	2,125
Additional # Unsubsidized Enrollees - Total[I]	12,950	0	12,950
Copper	12,200	0	12,200
Bronze	750	0	750

[I]Totals may not equal sum of the parts due to rounding

The following table summarizes the results of the sensitivity analysis. Results are shown for PY 2022 – the first year of the Reinsurance and Georgia Access Model combined. Average statewide QHP premium decreases range from 7.6% to 12.7%, required state subsidies range from $2,365 million to $2,399 million, and estimated state funding requirement ranges from $74 million to $111 million.

Table 5.25: Reinsurance and Georgia Access Sensitivity Analysis – PY 2022

Scenario	1 - Baseline	2 - Worse Experience	3 - Better Experience
With Waiver Reinsurance and Georgia Access			
Enrollment Change (%)	9.6%	0.4%	9.7%
QHP Premium Change (%)	-11.6%	-7.6%	-12.7%
Aggregate Premium Change (%)	-14.1%	-9.6%	-15.2%
APTC Change (In $ millions)	($227)	($256)	($260)
User Fees Change (In $ millions)	($6)	($10)	($7)
HIF Change (In $ millions)	($4)	($7)	($5)
Funding Estimates (In $ millions)			
Program Costs			
Reinsurance Program Cost	$419	$406	$414
State Subsidies	$2,399	$2,369	$2,365
Infrastructure/IT/Operational Cost (Reinsurance)	$1	$1	$1
Infrastructure/IT/Operational Cost (Georgia Access)	$19	$19	$19
Federal Revenue Reductions			
HIF Reduction	$4	$7	$5
FFE User Fees Reduction	$0	$0	$0
State Funding Sources			
State User Fees	($105)	($101)	($103)
Pass Through Funding[I]	($2,625)	($2,625)	($2,625)
State Funding Requirement (In $ millions)[II]	**$111**	**$75**	**$74**

[I] *Prior to offsets from federal revenue reductions*

[II] *Totals may not equal sum of the parts due to rounding*

Key results from scenario testing are highlighted below:

- Under the worse experience scenario, QHP premiums increase as a result of the Georgia Access Model primarily because there is no new enrollment from the uninsured. Uninsured members who enter the individual market are expected to be relatively healthier, therefore, new enrollment puts downward pressure on premiums. Because enrollment does not increase in this scenario (relative to Reinsurance only), the State is not funding additional subsidies and covering a portion of these members claims through Reinsurance. This results in a decrease towards the state funding requirement.
- Under the better experience scenario, QHP premiums decrease as a result of the Georgia Access Model and 35,000 new members join the individual market. Although the State funds the additional subsidies and a portion of claims through Reinsurance for these members, the average subsidy paid for every eligible member in the market decreases. This results in a decrease in the state funding requirement.

Section 6: CMS Guardrails

Section 6.1 – Coverage

According to the CMS Checklist, "a section 1332 state plan may comply with the coverage requirement if a comparable number of state residents eligible for coverage under Title I of the PPACA will have health care coverage under the section 1332 state plan as would have had coverage absent the waiver".

Section 6.1.1 – Coverage Guardrail for Reinsurance Only

As described in Section 2.3 and in greater detail in Section 5.1, the number of individuals covered is estimated to increase compared to coverage in the baseline Without Waiver scenario. This increase is due to migration from the uninsured as a result of lower available premiums. No coverage changes due to the waiver are estimated in other forms of public and private coverage.

Section 6.1.2 – Coverage Guardrail for Reinsurance and Georgia Access

As described in Section 2.3 and in greater detail in Sections 5.2 and 5.3, the number of individuals covered is estimated to increase compared to coverage in the baseline Without Waiver scenario. This increase is due to migration from the uninsured as a result of (1) lower premiums due to the Reinsurance Program, (2) increased web-broker marketing efforts as a result of the Georgia Access Model, and (3) lower cost Copper Plans available in the individual market. No coverage changes due to the waiver are estimated in other forms of public and private coverage.

Section 6.1.3 – Evaluation of State Program Budget Cap

As noted in the waiver application, the State will implement a program budget cap to ensure responsible financial stewardship regarding State funds. The State's total 1332 program cap is projected to be $255 million in state funds for PY 2022 and will be adjusted on an annual basis in subsequent years. The cap will be funded in part with a state user fee previously assessed as part of the FFE and State General Funds. Using the methodology and assumptions described in this analysis, this level of funding is sufficient to cover the same number of individuals enrolled in the baseline Without Waiver scenario, the modeled increased enrollment due to Reinsurance, and additional modeled enrollment from the uninsured due to the Georgia Access Model. We modeled the funding requirement needed to cover the estimated enrollment in PY 2022 due to Reinsurance Only and in all scenarios discussed in Section 5.3.3, and then estimated the maximum new enrollment from the uninsured that could be covered under the cap with the Georgia Access Model. Thus, the With Waiver scenario will cover at least or more than the number of consumers who are covered in the Without Waiver scenario.

The following table summarizes the impacts of the State program budget cap to demonstrate compliance with the coverage guardrail. It shows results under the baseline scenario, worse experience scenario, and better experience scenario to ensure current enrollment will not be impacted by the program budget cap. Note that results are displayed for PY 2022 – the first year of Phase II in which both the Reinsurance and Georgia Access Model operate and in which the State program budget cap is in effect.

Table 5.26: Analysis of State Program Budget Cap – PY 2022

Scenario	1 – Baseline	2 – Worse Experience	3 – Better Experience
QHP Premium Impact due to Georgia Access	-1.9%	+1.8%	-3.1%
State Program Budget Cap	$255 million	$255 million	$255 million
Baseline With Waiver (Reinsurance Only) Enrollment Level in PY 2022	388,585	388,585	388,585
New Enrollment due to Georgia Access (From Scenario)[I]	35,000	0	35,000
Remaining State Funds[II]	$39 million	$79 million	$78 million
Estimated Maximum Additional New Enrollment that could be Covered Under Cap[III]	44,000	85,000	88,500
Estimated Maximum Total New Enrollment that could be Covered Under Cap[IV]	79,000	85,000	123,500

[I] Scenario new enrollment assumes approximately 63% are subsidized (refer to Table 5.24)
[II] Difference between the State Program Budget Cap and the State Funding Requirement plus State User Fees from Table 5.25
[III] Assumes new enrollment is 92% unsubsidized and 8% subsidized, reflecting the makeup of the population who dropped coverage between 2017 and 2019
[IV] Total enrollment is higher in Scenario 2 compared to Baseline because the proportion of subsidized members is higher in Baseline due to the original 35,000 increase (63% subsidized)

The previous table shows that the State program budget cap is not estimated to restrict enrollment for currently insured individuals, and is sufficient to cover additional enrollment from the Reinsurance Program and Georgia Access Model. Further, we scenario tested unlikely adverse scenarios in which QHP premium increases due to Georgia Access are much higher than expected. The program budget cap continues to have no impact on currently insured individuals up to a QHP premium increase of over 4.5%.

Section 6.2 – Comprehensiveness and Affordability

According to the CMS checklist, "a section 1332 state plan may comply with the comprehensiveness and affordability requirements if access to coverage that is as affordable and comprehensive as coverage forecasted to have been available in the absence of the waiver is projected to be available to a comparable number of people under the waiver".

Section 6.2.1 – Comprehensiveness and Affordability Guardrails for Reinsurance Only

The waiver has no impact on the comprehensiveness of available coverage, compared to the baseline Without Waiver scenario. It is assumed QHPs offered in the market will continue to be available in the post waiver environment.

Due to the Reinsurance Program, available coverage will be more affordable for members not receiving a subsidy and will not change or decrease for those receiving a state subsidy. Premiums are estimated to decrease statewide by approximately 10% compared to the baseline Without Waiver scenario. As described in Section 2, higher premium reductions are estimated in rating areas with higher premiums, and lower premium reductions are estimated in rating areas with lower premiums.

Section 6.2.2 – Comprehensiveness and Affordability Guardrails for Reinsurance and Georgia Access

Under the Georgia Access Model, the only plan types that will be available for state subsidies will be QHPs and Eligible non-QHPs. Carriers will be able to offer Eligible non-QHPs including Copper Plans and Disease Management Plans while maintaining consumer protections such as the exclusion of pre-existing conditions. Disease Management Plans may potentially be designed to provide more focused and comprehensive coverage to participants with more complex healthcare needs.

While carriers will be able to offer Eligible non-QHPs, we assume metal level QHPs will continue to be offered. The availability of Copper Plans is not expected to change carrier behavior so dramatically that they forego offering QHPs for the following reasons:

- The vast majority of individuals currently buying on the individual market are subsidy-eligible and can therefore afford QHPs with higher actuarial values
- Subsidized healthy members have little or no incentive to buy down to a Copper Plan given that in most cases an existing metal level QHP is already affordable, often times even free, and provides a higher actuarial value
- Copper Plans are included in the single risk pool and subject to risk adjustment, which would help mitigate the risk of a carrier offering only a Copper Plan as they would be responsible for making large risk transfer payments; conversely, if plans received a higher proportion of unhealthy members in the metal level QHP market the risk transfer payments would help mitigate that selection impact
- Reinsurance further minimizes the risk of a carrier enrolling unhealthy members who incur higher claims, further alleviating the risk of offering metal level QHPs

Disease Management Plans will likely only target individuals with the target condition, leaving a pool of individuals to still purchase QHPs. Under this assumption, the waiver does not change the availability of QHPs. Further, the waiver does not change requirements related to member cost-sharing provisions (deductibles, copayments, etc.) of currently available coverage. For individuals between 100 – 250% FPL who purchase a Disease Management Plan, cost-sharing reductions (CSRs) continue to apply (i.e., a Silver Level Disease Management Plans are required to offer increased actuarial values to individuals between 100% – 250% FPL in accordance with current CSR requirements).

Accordingly, no change in comprehensiveness of available coverage is anticipated for Georgians by income, level of health expenses, health insurance status, and age group, compared to the baseline Without Waiver scenario.

The availability of Eligible non-QHPs in Georgia Access is modeled to decrease premiums for QHPs by 1.9% for members not receiving a subsidy, absent the impact due to Reinsurance. Therefore, affordability is estimated to improve for members not receiving a subsidy, and to be unchanged for members receiving a subsidy. Estimated changes in affordability of coverage (premium levels) are described further in Sections 5.2 and 5.3.

The waiver would also provide Georgia the flexibility to modify the premium subsidy structure in future years in order to make healthcare coverage options more affordable to more residents, with approval from CMS and the Treasury Department, so long as it continues to meet the four guardrails. Georgia intends to implement a subsidy structure that is the same as the federal subsidy structure for individuals between 100% – 400% of the FPL for QHPs and Eligible non-QHPs for the first year of the Georgia Access Model (PY 2022). Georgia may, with approval from CMS and Treasury, modify subsidies in future years based upon actuarial analysis, funding levels, and enrollment to better meet the needs of its residents. The actuarial modeling in the waiver assumes the State will continue to implement a subsidy structure that aligns with the federal subsidy structure for PYs 2022 – 2025.

Section 6.3 – Federal Deficit Neutrality

The CMS checklist requires "an economic analysis to support the state's finding that the waiver will not increase the federal deficit over the period of the waiver (which may not exceed five years unless renewed) or in total over the 10-year budget period".

Section 6.2.1 – Federal Deficit Neutrality Guardrail for Reinsurance Only

In Phase 1, for PY 2021, when only the Reinsurance Program will be in effect, net federal spending is estimated to decrease by approximately $0.3 billion. The components of this decrease include the following spending impacts, as compared to the baseline Without Waiver scenario:

- Reduction in APTC spending due to lower premiums, resulting from the Reinsurance Program
- Net reduction in HIF collections, including:
    - a reduction due to lower premiums
    - a smaller increase in collections due to increased enrollment in the market
- Net reduction in FFE user fee collections, for the same two reasons as for the HIF collections

Note that the first item reduces federal spending, and the other two items offset a portion of this reduction. Estimates for PY 2021 and PY 2022, as well as the 5-year and 10-year periods are shown in the following table. Estimates for each individual year are shown in Appendix IV, Table IV.I.

Table 6.1: PY 2021, 2022, 5-year and 10-year Deficit Impact of Reinsurance Only (in $ millions)

Category of Impact	PY 2021	PY 2022	5-Year Estimates	10-Year Estimates
Baseline Without Waiver				
Federal Expenses				
(a) Total Subsidies	$2,493	$2,625	$13,856	$31,757
Federal Revenues				
(b) Total FFE User Fees	$106	$111	$582	$1,322
(c) Total HIF	$70	$73	$384	$873
With Waiver (Reinsurance Only)				
Federal Expenses				
(d) Total Subsidies	$2,212	$2,324	$12,240	$27,914
Federal Revenues				
(e) Total FFE User Fees	$95	$100	$524	$1,183
(f) Total HIF	$63	$66	$346	$781
Comparison [1]				
(g) Total Subsidy Reduction (a - d)	$281	$301	$1,616	$3,842
(h) Total FFE User Fees Reduction (e - b)	($10)	($11)	($59)	($139)
(i) Total HIF Reduction (f - c)	($7)	($7)	($38)	($91)
(j) Estimated Net Federal Savings (g+h+i)	**$264**	**$283**	**$1,520**	**$3,612**

[1] *Totals may not equal sum of the parts due to rounding*

Section 6.2.2 – Federal Deficit Neutrality Guardrail for Reinsurance and Georgia Access

In Phase 2, beginning in PY 2022, when both the Reinsurance and the Georgia Access Model will be in effect, net federal spending is estimated to decrease by approximately $2.6 – $3.9 billion annually. As described further in Section 6, the components of this decrease, compared to the Without Waiver scenario, include:

- Elimination of federal APTC spending
- Net reduction of HIF collections, including
  - a reduction due to lower premiums
  - a smaller increase in collections due to increased enrollment in the market
- Elimination of FFE user fees, offset by an elimination of FFE operating expense supporting the Georgia market

Note that the first item reduces federal spending, the second item offsets a portion of this reduction, and the third item has no net impact on federal spending.

As previously described, the waiver is estimated to decrease federal spending, and thus not increase the federal deficit, in each year of the 5-year waiver and 10-year periods. Estimates for PY 2021 and PY 2022, as well as aggregate estimates for these 5-year and 10-year periods are shown in the following table. Estimates for each individual year are shown in Appendix V, Table V.I.

We understand Georgia is requesting annual pass through funding equal to the net federal savings.

Table 6.2: PY 2021, 2022, 5-year and 10-year Deficit Impact of Reinsurance and Georgia Access (in $ millions)

Category of Impact	PY 2021	PY 2022	5-Year Estimates	10-Year Estimates
Baseline Without Waiver				
Federal Expenses				
(a) Total Subsidies	$2,493	$2,625	$13,856	$31,757
(b) Total FFE User Fees	$106	$111	$582	$1,322
Federal Revenues				
(c) Total FFE User Fees	$106	$111	$582	$1,322
(d) Total HIF	$70	$73	$384	$873
With Waiver (Reinsurance and Georgia Access)				
Federal Expenses				
(e) Total Subsidies [I]	$2,212	$0	$2,212	$2,212
(f) FFE Expense Funded by User Fees [II]	$106	$0	$106	$106
Federal Revenues				
(g) Total FFE User Fees	$95	$0	$95	$95
(h) Total HIF	$63	$69	$358	$813
Comparison [III]				
(I) Total Subsidy Reduction (a - e)	$281	$2,625	$11,644	$29,545
(j) Total FFE User Fees Reduction (g - f) - (c - b)	($10)	$0	($10)	($10)
(k) Total HIF Reduction (h - d)	($7)	($4)	($26)	($59)
(l) Estimated Net Federal Savings (i+j+k)	**$264**	**$2,621**	**$11,608**	**$29,475**

[I] *When Phase 2 comes into effect in PY 2022, the Federal Government will no longer be responsible for subsidy payments*

[II] *When Phase 2 comes into effect in PY 2022, the Federal Government will no longer collect FFE User Fees, however, they will also no longer incur any expenses on the FFE for Georgia plans*

[III] *Totals may not equal sum of the parts due to rounding*

Section 7: Actuarial Certification

I, Timothy FitzPatrick, am a Principal with Deloitte Consulting LLP (Deloitte Consulting). I am an Associate of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Academy's qualification standards for rendering this opinion.

The State of Georgia retained Deloitte Consulting to develop this actuarial and economic analysis, a component of the State of Georgia's 1332 waiver application.

I certify that the estimates presented in this analysis:

- Have been developed in accordance with applicable actuarial standards of practice
- Address section 45 CFR 155.1308(f)(4)(i)-(iii) and are consistent with the CMS "Checklist for Section 1332 State Relief and Empowerment Waivers Applications" (updated July 2019)

In this analysis, we relied on historical claims and enrollment experience data provided to us as outlined in Section 5. We reviewed the data for reasonableness and consistency during the course of our work; however, we have not audited any of the data we received. If the underlying data or information provided is inaccurate or incomplete, the results of our review may likewise be inaccurate or incomplete.

Estimates developed by Deloitte Consulting are based on actuarial analysis of future costs and enrollment for PYs 2019 – 2030. It may be expected that actual experience will vary from the values shown here.

This document is solely for the information and use of the State of Georgia in support of its 1332 waiver application and is not for the benefit of or to be relied upon by any other person or entity. Deloitte Consulting understands this document may be made public as a component of the 1332 waiver application.

Timothy FitzPatrick, ASA, MAAA
Deloitte Consulting LLP

Appendix I: High Level Assumptions

Table I.I: Without Waiver High Level Key Assumptions

Assumption	Value
Enrollment Change	Stable at estimated 2019 levels
Claim Trend	5.1%
Premium Trend	Pure Premium trended at 5.1%, NBE trended at 4.0%
User Fee %	3.5%
HIF %	2.2%

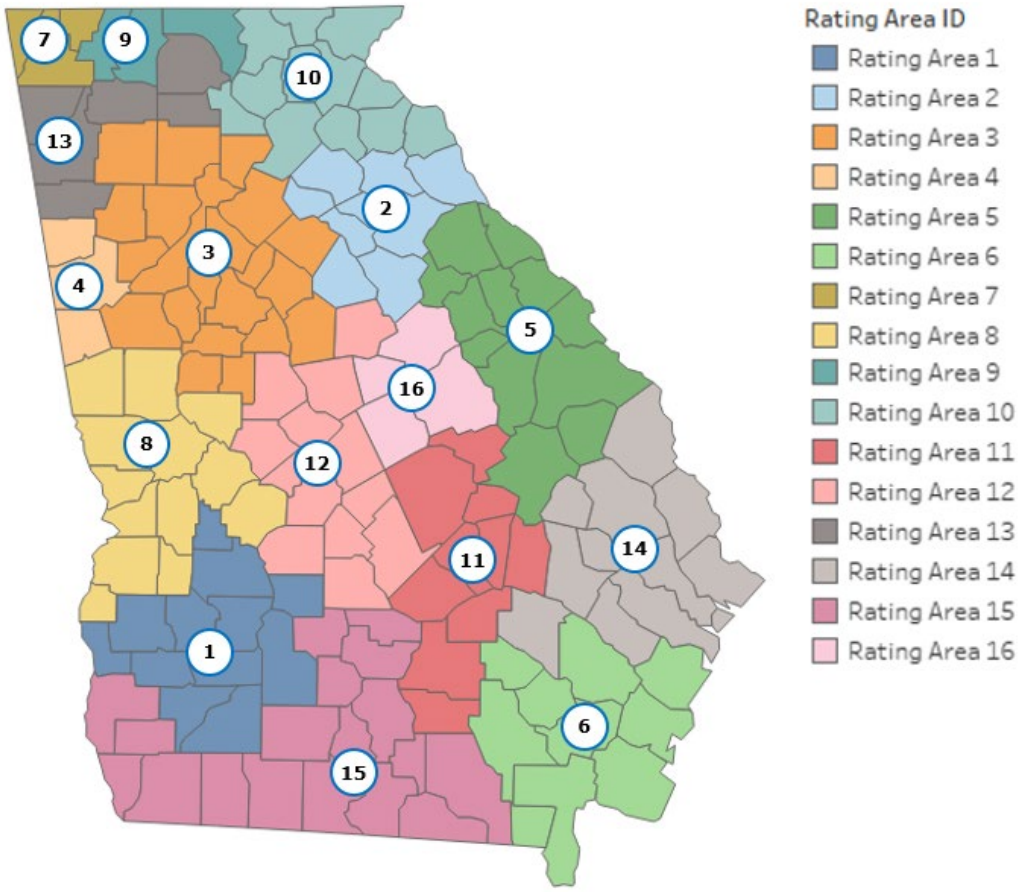
Table I.II: Reinsurance Only Key Assumptions

Assumption	Value
Enrollment Change due to Price Sensitivity	0.4% per 1% decrease in premiums relative to Without Waiver
Claim Trend	5.1%
Premium Trend	Pure Premium trended at 5.1%, NBE trended at 4.0%
Morbidity Improvement	0.5% per 1% increase in enrollment
User Fee %	3.5%
HIF %	2.2%
Reinsurance Insurer Conservatism	15%
Operating/Administration Costs	$750,000 per year

Table I.III: Reinsurance and Georgia Access Key Assumptions

Assumption	Value
Enrollment Migration from Bronze to Copper	32.5%
New Enrollment - Total	35,000
New Enrollment – Copper Subsidized	10,363
New Enrollment – Bronze Subsidized	9,563
New Enrollment – Silver Subsidized	2,125
New Enrollment – Copper Unsubsidized	12,200
New Enrollment – Bronze Unsubsidized	750
Adverse Selection Impact due to Copper Plans	0.38%
Enrollment Migration from Metal Level QHPs (Bronze/Silver/Gold) to Disease Management Plans (Bronze/Silver/Gold)	14.2%
New Enrollment – Disease Management Plans	0
Adverse Selection/Care Management Impact due to Disease Management Plans	0%
Operating/Administration Costs	$18.5 million in PY 2022 ($13.5 million up-front costs, $5 million annual costs), $5 million in PY 2023 – PY 2030

Appendix II: Map of Georgia Rating Areas



Note: Georgia Rating Areas: Including State Specific Geographic Divisions, available at: https://www.cms.gov/cciio/programs-and-initiatives/health-insurance-market-reforms/ga-gra.html

Appendix III: County Description of Sub-Area as used in SLCSP Projections

Rating Area [I]	Sub-area	County (2019)
1	Entire Area	Baker, Calhoun, Clay, Crisp, Dougherty, Lee, Mitchell, Randolph, Schley, Sumter, Terrell, Worth
2	A	Barrow, Clarke, Elbert, Greene, Jackson, Madison, Oconee
2	B	Morgan, Oglethorpe
3	A	Bartow, Coweta, Lamar, Pike
3	B	Butts, Clayton, Newton, Paulding, Rockdale, Spalding, Walton
3	C	Cherokee, Cobb, Dekalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry
3	D	Jasper
4	Entire Area	Carroll, Haralson, Heard
5	A	Burke, Columbia, Emanuel, Glascock, Jefferson, Jenkins, Lincoln, Mcduffie, Taliaferro, Warren, Wilkes
5	B	Richmond
6	A	Bacon, Brantley, Camden, Glynn, Mcintosh, Pierce, Wayne
6	B	Charlton, Ware
7	Entire Area	Catoosa, Dade, Walker
8	A	Chattahoochee, Harris, Macon, Marion, Meriwether, Muscogee, Quitman, Stewart, Talbot, Taylor, Troup, Webster
8	B	Upson
9	A	Fannin
9	B	Murray, Whitfield
10	Entire Area	Banks, Dawson, Franklin, Habersham, Hall, Hart, Lumpkin, Rabun, Stephens, Towns, Union, White
11	A	Atkinson, Johnson, Laurens
11	B	Coffee, Jeff Davis, Montgomery, Telfair, Toombs, Treutlen, Wheeler
12	A	Bibb, Bleckley, Dodge, Dooly, Houston, Jones, Monroe, Peach, Pulaski, Putnam, Twiggs, Wilcox
12	B	Crawford
13	A	Chattooga
13	B	Floyd, Gilmer, Pickens, Polk
13	C	Gordon
14	Entire Area	Appling, Bryan, Bulloch, Candler, Chatham, Effingham, Evans, Liberty, Long, Screven, Tattnall
15	A	Ben Hill, Irwin, Miller
15	B	Berrien, Brooks, Clinch, Colquitt, Cook, Decatur, Early, Echols, Grady, Lanier, Lowndes, Seminole, Thomas, Tift, Turner
16	Entire Area	Baldwin, Hancock, Washington, Wilkinson

[I] Rating areas are as shown at https://www.cms.gov/cciio/programs-and-initiatives/health-insurance-market-reforms/ga-gra.html (accessed Sept 29, 2019)

Appendix IV: Detailed Estimates for Phase I: Reinsurance Program Only

Table IV.I: 10-year Federal Deficit Comparison Without and With Waiver (Reinsurance Only) (in $ millions)

Category of Impact	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Baseline Without Waiver										
Federal Expenses										
(a) Total Subsidies	$2,493	$2,625	$2,764	$2,910	$3,063	$3,224	$3,393	$3,571	$3,758	$3,954
Federal Revenues										
(b) Total FFE User Fees	$106	$111	$116	$122	$128	$134	$141	$148	$155	$163
(c) Total HIF	$70	$73	$77	$80	$84	$89	$93	$97	$102	$107
With Waiver (Reinsurance Only)										
Federal Expenses										
(d) Total Subsidies	$2,212	$2,324	$2,442	$2,566	$2,696	$2,833	$2,977	$3,128	$3,286	$3,451
Federal Revenues										
(e) Total FFE User Fees	$95	$100	$104	$109	$115	$120	$126	$132	$138	$144
(f) Total HIF	$63	$66	$69	$72	$76	$79	$83	$87	$91	$95
Comparison [I]										
(g) Total Subsidy Reduction (a - d)	$281	$301	$322	$344	$368	$391	$416	$443	$471	$503
(h) Total FFE User Fees Reduction (e - b)	($10)	($11)	($12)	($12)	($13)	($14)	($15)	($16)	($17)	($18)
(i) Total HIF Reduction (f - c)	($7)	($7)	($8)	($8)	($9)	($9)	($10)	($11)	($11)	($12)
(j) Estimated Net Federal Savings (g+h+i)	**$264**	**$283**	**$303**	**$323**	**$346**	**$368**	**$392**	**$417**	**$443**	**$473**

[1] *Totals may not equal sum of the parts due to rounding*

Table IV.II: Baseline Without and With Waiver (Reinsurance Only) and Funding Estimates, PYs 2021-2030

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Baseline Without Waiver										
Enrollment										
On Exchange Subsidized	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584
On Exchange Unsubsidized	32,279	32,279	32,279	32,279	32,279	32,279	32,279	32,279	32,279	32,279
Off Exchange Unsubsidized	20,928	20,928	20,928	20,928	20,928	20,928	20,928	20,928	20,928	20,928
Grandfathered	972	972	972	972	972	972	972	972	972	972
Total[1]	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**
PMPM										
On Exchange Subsidized	$700	$734	$770	$808	$848	$889	$933	$979	$1,027	$1,078
On Exchange Unsubsidized	$553	$580	$608	$638	$670	$702	$737	$773	$811	$851
Off Exchange Unsubsidized	$586	$615	$645	$677	$710	$745	$782	$820	$860	$903
Grandfathered	$323	$339	$355	$373	$391	$411	$431	$452	$474	$497
Total[1]	**$680**	**$714**	**$749**	**$786**	**$824**	**$865**	**$907**	**$952**	**$999**	**$1,048**
Total Premium (In $ millions)										
On Exchange Subsidized	$2,801	$2,938	$3,083	$3,234	$3,393	$3,560	$3,735	$3,919	$4,111	$4,314
On Exchange Unsubsidized	$214	$225	$236	$247	$259	$272	$285	$300	$314	$330
Off Exchange Unsubsidized	$147	$154	$162	$170	$178	$187	$196	$206	$216	$227
Grandfathered	$4	$4	$4	$4	$5	$5	$5	$5	$6	$6
Total[1]	**$3,166**	**$3,322**	**$3,485**	**$3,656**	**$3,835**	**$4,024**	**$4,222**	**$4,429**	**$4,647**	**$4,876**
With Waiver										
Target Reinsurance Funding (In $ millions)	$281	$301	$322	$344	$368	$391	$416	$443	$471	$503
Percent Change in Premium	-10.0%	-10.2%	-10.4%	-10.6%	-10.8%	-11.0%	-11.1%	-11.3%	-11.4%	-11.6%
Percent Change in Enrollment	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
Enrollment										
On Exchange Subsidized	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584
On Exchange Unsubsidized	33,048	33,195	33,237	33,261	33,283	33,302	33,319	33,337	33,355	33,377
Off Exchange Unsubsidized	21,663	21,806	21,847	21,872	21,895	21,915	21,933	21,952	21,971	21,994
Grandfathered	972	972	972	972	972	972	972	972	972	972
Total[1]	**389,268**	**389,558**	**389,640**	**389,690**	**389,735**	**389,773**	**389,809**	**389,846**	**389,883**	**389,928**
PMPM										
On Exchange Subsidized	$630	$659	$690	$722	$756	$792	$829	$869	$910	$952
On Exchange Unsubsidized	$511	$535	$560	$586	$614	$643	$674	$706	$740	$775
Off Exchange Unsubsidized	$517	$540	$565	$591	$618	$647	$677	$709	$742	$776
Grandfathered	$323	$339	$355	$373	$391	$411	$431	$452	$474	$497
Total[1]	**$613**	**$641**	**$671**	**$702**	**$735**	**$770**	**$806**	**$845**	**$885**	**$926**
Total Premium (In $ millions)										
On Exchange Subsidized	$2,521	$2,638	$2,762	$2,891	$3,027	$3,170	$3,320	$3,477	$3,641	$3,812
On Exchange Unsubsidized	$203	$213	$223	$234	$245	$257	$270	$283	$296	$310
Off Exchange Unsubsidized	$134	$141	$148	$155	$162	$170	$178	$187	$196	$205
Grandfathered	$4	$4	$4	$4	$5	$5	$5	$5	$6	$6
Total[1]	**$2,862**	**$2,997**	**$3,137**	**$3,285**	**$3,439**	**$3,602**	**$3,773**	**$3,951**	**$4,139**	**$4,333**
Funding Estimates (In $ millions)										
Program Costs										
Reinsurance Program Cost	$367	$394	$421	$450	$481	$512	$545	$580	$617	$659
Infrastructure/IT/Operational Cost	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1
Federal Revenue Reductions										
HIF Reduction	$7	$7	$8	$8	$9	$9	$10	$11	$11	$12
FFE User Fees Reduction	$10	$11	$12	$12	$13	$14	$15	$16	$17	$18
State Funding Sources										
Pass Through Funding	($281)	($301)	($322)	($344)	($368)	($391)	($416)	($443)	($471)	($503)
State Funding Requirement (In $ millions)[1]	**$104**	**$111**	**$119**	**$127**	**$136**	**$145**	**$154**	**$164**	**$175**	**$187**

[1] *Totals may not equal sum of the parts due to rounding*

Table IV.III: SLCSP Premium PMPM Without Waiver by Rating Area and Issuer Specific Service Area, PYs 2021 – 2030

Rating Area	Sub-area[1]	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Baseline Without Waiver SLSCP Premium PMPM											
1	Entire Area	$487	$511	$536	$563	$590	$619	$650	$682	$715	$750
2	A	$365	$382	$401	$421	$442	$463	$486	$510	$535	$561
2	B	$569	$597	$626	$657	$689	$723	$758	$796	$835	$876
3	A	$490	$514	$539	$566	$593	$623	$653	$685	$719	$754
3	B	$390	$409	$429	$450	$472	$496	$520	$546	$572	$601
3	C	$371	$389	$408	$428	$449	$471	$494	$519	$544	$571
3	D	$582	$611	$641	$672	$706	$740	$777	$815	$855	$897
4	Entire Area	$736	$772	$810	$849	$891	$935	$981	$1,029	$1,080	$1,133
5	A	$495	$520	$545	$572	$600	$630	$661	$693	$727	$763
5	B	$479	$502	$527	$553	$580	$608	$638	$670	$703	$737
6	A	$341	$358	$375	$393	$413	$433	$454	$477	$500	$525
6	B	$659	$691	$725	$761	$798	$838	$879	$922	$967	$1,015
7	Entire Area	$369	$387	$406	$426	$447	$469	$492	$517	$542	$569
8	A	$375	$394	$413	$433	$455	$477	$501	$525	$551	$578
8	B	$607	$637	$668	$701	$735	$771	$809	$849	$891	$935
9	A	$500	$524	$550	$577	$606	$635	$667	$699	$734	$770
9	B	$352	$369	$387	$406	$426	$447	$469	$492	$516	$542
10	Entire Area	$536	$563	$590	$619	$650	$682	$715	$750	$787	$826
11	A	$674	$707	$741	$778	$816	$856	$898	$942	$989	$1,037
11	B	$313	$329	$345	$362	$379	$398	$418	$438	$460	$482
12	A	$380	$398	$418	$438	$460	$482	$506	$531	$557	$585
12	B	$592	$621	$651	$683	$717	$752	$789	$828	$869	$912
13	A	$517	$542	$569	$597	$626	$657	$689	$723	$758	$796
13	B	$509	$534	$560	$588	$617	$647	$679	$712	$747	$784
13	C	$312	$328	$344	$361	$378	$397	$416	$437	$458	$481
14	Entire Area	$385	$404	$424	$445	$467	$490	$514	$539	$566	$594
15	A	$315	$331	$347	$364	$382	$401	$420	$441	$463	$486
15	B	$762	$799	$838	$879	$923	$968	$1,016	$1,066	$1,118	$1,173
16	Entire Area	$565	$592	$621	$652	$684	$718	$753	$790	$829	$869

[1] *List of counties in each sub-area are shown in Appendix III*

Table IV.IV: SLCSP Premium PMPM With Waiver (Reinsurance Only) by Rating Area and Issuer Specific Service Area, PYs 2021 – 2030

Rating Area	Sub-area[1]	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
With Waiver SLCSP Premium PMPM											
1	Entire Area	$418	$435	$453	$472	$492	$513	$534	$557	$580	$604
2	A	$346	$361	$377	$394	$411	$429	$448	$468	$488	$510
2	B	$540	$564	$589	$614	$641	$669	$699	$730	$762	$795
3	A	$465	$486	$507	$529	$552	$577	$602	$628	$656	$685
3	B	$370	$387	$404	$421	$440	$459	$479	$500	$522	$545
3	C	$352	$368	$384	$401	$418	$437	$456	$476	$497	$518
3	D	$553	$577	$603	$629	$657	$686	$716	$747	$780	$814
4	Entire Area	$552	$573	$595	$618	$642	$667	$693	$721	$749	$777
5	A	$471	$491	$513	$535	$559	$583	$609	$636	$664	$693
5	B	$455	$475	$495	$517	$540	$563	$588	$614	$641	$669
6	A	$256	$265	$276	$286	$297	$309	$321	$334	$347	$360
6	B	$495	$513	$533	$554	$575	$597	$621	$646	$671	$696
7	Entire Area	$317	$330	$344	$358	$373	$389	$405	$422	$440	$458
8	A	$357	$372	$388	$405	$423	$442	$461	$482	$503	$525
8	B	$576	$602	$628	$656	$684	$714	$746	$779	$813	$848
9	A	$429	$447	$465	$485	$505	$526	$548	$571	$596	$620
9	B	$302	$314	$327	$341	$355	$370	$386	$402	$419	$436
10	Entire Area	$403	$418	$434	$450	$468	$486	$505	$525	$546	$567
11	A	$506	$525	$545	$566	$587	$611	$635	$660	$686	$712
11	B	$235	$244	$253	$263	$273	$284	$295	$307	$319	$331
12	A	$326	$339	$353	$368	$383	$399	$416	$434	$452	$471
12	B	$508	$529	$551	$574	$598	$623	$649	$677	$705	$734
13	A	$388	$402	$418	$434	$451	$468	$487	$506	$526	$546
13	B	$382	$397	$412	$428	$444	$462	$480	$499	$519	$538
13	C	$234	$243	$253	$262	$272	$283	$294	$306	$318	$330
14	Entire Area	$366	$382	$399	$416	$435	$454	$474	$494	$516	$539
15	A	$237	$246	$255	$265	$275	$286	$297	$309	$321	$333
15	B	$572	$593	$616	$640	$664	$690	$718	$746	$776	$805
16	Entire Area	$484	$504	$525	$547	$570	$594	$619	$645	$673	$700

[1] *List of counties in each sub-area are shown in Appendix III*

Table IV.V: Baseline Without Waiver and With Waiver (Reinsurance Only) Enrollment by FPL, PYs 2021 – 2030

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
On Exchange Subsidized										
Baseline Without Waiver										
<100% of FPL	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303
≥100% to ≤150% of FPL	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800
>150% to ≤200% of FPL	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063
>200% to ≤250% of FPL	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542
>250% to ≤300% of FPL	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224
>300% to ≤400% of FPL	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110
>400% of FPL	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543
Average Annual Enrollment[1]	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**
With Waiver										
<100% of FPL	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303
≥100% to ≤150% of FPL	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800
>150% to ≤200% of FPL	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063
>200% to ≤250% of FPL	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542
>250% to ≤300% of FPL	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224
>300% to ≤400% of FPL	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110
>400% of FPL	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543
Average Annual Enrollment[1]	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**
On Exchange Unsubsidized										
Baseline Without Waiver										
<100% of FPL	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
≥100% to ≤150% of FPL	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517
>150% to ≤200% of FPL	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537
>200% to ≤250% of FPL	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886
>250% to ≤300% of FPL	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175
>300% to ≤400% of FPL	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505
>400% of FPL	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065
Average Annual Enrollment[1]	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**
With Waiver										
<100% of FPL	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
≥100% to ≤150% of FPL	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517
>150% to ≤200% of FPL	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537
>200% to ≤250% of FPL	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886
>250% to ≤300% of FPL	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175
>300% to ≤400% of FPL	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505
>400% of FPL	1,834	1,981	2,022	2,047	2,069	2,087	2,105	2,122	2,140	2,162
Average Annual Enrollment[1]	**33,048**	**33,195**	**33,237**	**33,261**	**33,283**	**33,302**	**33,319**	**33,337**	**33,355**	**33,377**
Off Exchange Unsubsidized										
Baseline Without Waiver										
<100% of FPL	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684
≥100% to ≤150% of FPL	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609
>150% to ≤200% of FPL	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842
>200% to ≤250% of FPL	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348
>250% to ≤300% of FPL	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
>300% to ≤400% of FPL	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376
>400% of FPL	8,846	8,846	8,846	8,846	8,846	8,846	8,846	8,846	8,846	8,846
Average Annual Enrollment[1]	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**
With Waiver										
<100% of FPL	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684
≥100% to ≤150% of FPL	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609
>150% to ≤200% of FPL	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842
>200% to ≤250% of FPL	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348
>250% to ≤300% of FPL	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
>300% to ≤400% of FPL	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376
>400% of FPL	9,581	9,724	9,765	9,790	9,813	9,833	9,851	9,870	9,889	9,912
Average Annual Enrollment[1]	**21,663**	**21,806**	**21,847**	**21,872**	**21,895**	**21,915**	**21,933**	**21,952**	**21,971**	**21,994**

[1] *Totals may not equal sum of the parts due to rounding*

Table IV.VI: Baseline Without Waiver and With Waiver (Reinsurance Only) Average Annual Enrollment by Metal Level, PYs 2021 – 2030

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
On Exchange Subsidized										
Baseline Without Waiver										
Bronze	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769
Silver	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771
Gold	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044
Average Annual Enrollment[1]	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**
With Waiver										
Bronze	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769
Silver	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771
Gold	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044
Average Annual Enrollment[1]	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**
On Exchange Unsubsidized										
Baseline Without Waiver										
Bronze	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654
Silver	12,566	12,566	12,566	12,566	12,566	12,566	12,566	12,566	12,566	12,566
Gold	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355
Catastrophic	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704
Average Annual Enrollment[1]	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**
With Waiver										
Bronze	12,961	13,020	13,037	13,047	13,056	13,063	13,070	13,077	13,085	13,093
Silver	12,837	12,888	12,903	12,911	12,919	12,925	12,931	12,937	12,943	12,950
Gold	5,503	5,531	5,539	5,544	5,549	5,552	5,556	5,559	5,563	5,567
Catastrophic	1,747	1,755	1,758	1,759	1,760	1,761	1,762	1,763	1,764	1,765
Average Annual Enrollment[1]	**33,048**	**33,195**	**33,237**	**33,261**	**33,283**	**33,302**	**33,319**	**33,337**	**33,355**	**33,377**
Off Exchange Unsubsidized										
Baseline Without Waiver										
Bronze	9,173	9,173	9,173	9,173	9,173	9,173	9,173	9,173	9,173	9,173
Silver	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494
Gold	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373
Catastrophic	888	888	888	888	888	888	888	888	888	888
Average Annual Enrollment[1]	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**
With Waiver										
Bronze	9,502	9,566	9,584	9,596	9,606	9,615	9,623	9,631	9,640	9,650
Silver	8,793	8,852	8,868	8,879	8,888	8,896	8,903	8,911	8,919	8,928
Gold	2,448	2,463	2,467	2,469	2,472	2,474	2,475	2,477	2,479	2,481
Catastrophic	920	926	928	929	930	931	931	932	933	934
Average Annual Enrollment[1]	**21,663**	**21,806**	**21,847**	**21,872**	**21,895**	**21,915**	**21,933**	**21,952**	**21,971**	**21,994**
Total Average Annual Enrollment										
Baseline Without Waiver	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**
With Waiver	**388,295**	**388,585**	**388,668**	**388,718**	**388,763**	**388,801**	**388,837**	**388,873**	**388,910**	**388,955**

[1] *Totals may not equal sum of the parts due to rounding*

Table IV.VII: Baseline Without Waiver PY 2021 Average Annual Enrollment by FPL and Metal Level

	Bronze	Silver	Gold	Catastrophic	Total
On Exchange Subsidized					
0% to 100% FPL	2,299	5,152	853	N/A	8,303
100% to 150% FPL	8,625	160,363	812	N/A	169,800
150% to 200% FPL	6,708	60,136	1,219	N/A	68,063
200% to 250% FPL	6,708	25,773	4,062	N/A	36,542
250% to 300% FPL	6,708	11,454	4,062	N/A	22,224
300% to 400% FPL	7,187	11,454	4,468	N/A	23,110
400%+ FPL	1,534	3,439	569	N/A	5,543
Total[1]	**39,769**	**277,771**	**16,044**	**N/A**	**333,584**
On Exchange Unsubsidized					
0% to 100% FPL	731	233	285	346	1,595
100% to 150% FPL	2,744	7,255	271	247	10,517
150% to 200% FPL	2,134	2,721	407	275	5,537
200% to 250% FPL	2,134	1,166	1,356	230	4,886
250% to 300% FPL	2,134	518	1,356	166	4,175
300% to 400% FPL	2,287	518	1,491	209	4,505
400%+ FPL	488	156	190	231	1,065
Total[1]	**12,654**	**12,566**	**5,355**	**1,704**	**32,279**
Off Exchange Unsubsidized					
0% to 100% FPL	1,615	1,495	418	156	3,684
100% to 150% FPL	705	653	182	68	1,609
150% to 200% FPL	807	748	209	78	1,842
200% to 250% FPL	591	547	153	57	1,348
250% to 300% FPL	536	496	139	52	1,223
300% to 400% FPL	1,042	965	269	101	2,376
400%+ FPL	3,877	3,590	1,003	375	8,846
Total[1]	**9,173**	**8,494**	**2,373**	**888**	**20,928**

[1] *Totals may not equal sum of the parts due to rounding*

Table IV.VIII: With Waiver (Reinsurance Only) PY 2021 Average Annual Enrollment by FPL and Metal Level

	Bronze	Silver	Gold	Catastrophic	Total
On Exchange Subsidized					
0% to 100% FPL	2,299	5,152	853	N/A	8,303
100% to 150% FPL	8,625	160,363	812	N/A	169,800
150% to 200% FPL	6,708	60,136	1,219	N/A	68,063
200% to 250% FPL	6,708	25,773	4,062	N/A	36,542
250% to 300% FPL	6,708	11,454	4,062	N/A	22,224
300% to 400% FPL	7,187	11,454	4,468	N/A	23,110
400%+ FPL	1,534	3,439	569	N/A	5,543
Total[1]	**39,769**	**277,771**	**16,044**	**N/A**	**333,584**
On Exchange Unsubsidized					
0% to 100% FPL	731	233	285	346	1,595
100% to 150% FPL	2,744	7,255	271	247	10,517
150% to 200% FPL	2,134	2,721	407	275	5,537
200% to 250% FPL	2,134	1,166	1,356	230	4,886
250% to 300% FPL	2,134	518	1,356	166	4,175
300% to 400% FPL	2,287	518	1,491	209	4,505
400%+ FPL	796	426	338	274	1,834
Total[1]	**12,961**	**12,837**	**5,503**	**1,747**	**33,048**
Off Exchange Unsubsidized					
0% to 100% FPL	1,615	1,495	418	156	3,684
100% to 150% FPL	705	653	182	68	1,609
150% to 200% FPL	807	748	209	78	1,842
200% to 250% FPL	591	547	153	57	1,348
250% to 300% FPL	536	496	139	52	1,223
300% to 400% FPL	1,042	965	269	101	2,376
400%+ FPL	4,206	3,889	1,078	407	9,581
Total[1]	**9,502**	**8,793**	**2,448**	**920**	**21,663**

[1] *Totals may not equal sum of the parts due to rounding*

Table IV.IX: 10-Year Projection of Key Figures – Without Waiver and With Waiver (Reinsurance Only)

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Without Waiver										
Total Enrollment	387,764	387,764	387,764	387,764	387,764	387,764	387,764	387,764	387,764	387,764
Total Premium (In $ millions)	$3,166	$3,322	$3,485	$3,656	$3,835	$4,024	$4,222	$4,429	$4,647	$4,876
Total APTC (In $ millions)	$2,493	$2,625	$2,764	$2,910	$3,063	$3,224	$3,393	$3,571	$3,758	$3,954
Total User Fees (In $ millions)	$106	$111	$116	$122	$128	$134	$141	$148	$155	$163
Total HIF (In $ millions)	$70	$73	$77	$80	$84	$89	$93	$97	$102	$107
With Waiver										
Total Enrollment	389,268	389,558	389,640	389,690	389,735	389,773	389,809	389,846	389,883	389,928
Total Premium (In $ millions)	$2,862	$2,997	$3,137	$3,285	$3,439	$3,602	$3,773	$3,951	$4,139	$4,333
Total APTC (In $ millions)	$2,212	$2,324	$2,442	$2,566	$2,696	$2,833	$2,977	$3,128	$3,286	$3,451
Total User Fees (In $ millions)	$95	$100	$104	$109	$115	$120	$126	$132	$138	$144
Total HIF (In $ millions)	$63	$66	$69	$72	$76	$79	$83	$87	$91	$95
Comparison										
Total Enrollment	1,504	1,794	1,876	1,926	1,971	2,009	2,045	2,082	2,119	2,164
Total Premium (In $ millions)	($304)	($325)	($347)	($371)	($396)	($422)	($449)	($478)	($509)	($543)
Total APTC (In $ millions)	($281)	($301)	($322)	($344)	($368)	($391)	($416)	($443)	($471)	($503)
Total User Fees (In $ millions)	($10)	($11)	($12)	($12)	($13)	($14)	($15)	($16)	($17)	($18)
Total HIF (In $ millions)	($7)	($7)	($8)	($8)	($9)	($9)	($10)	($11)	($11)	($12)

Table IV.X: Average Individual Market Premium Rate Projections Without and With Waiver (Reinsurance Only)

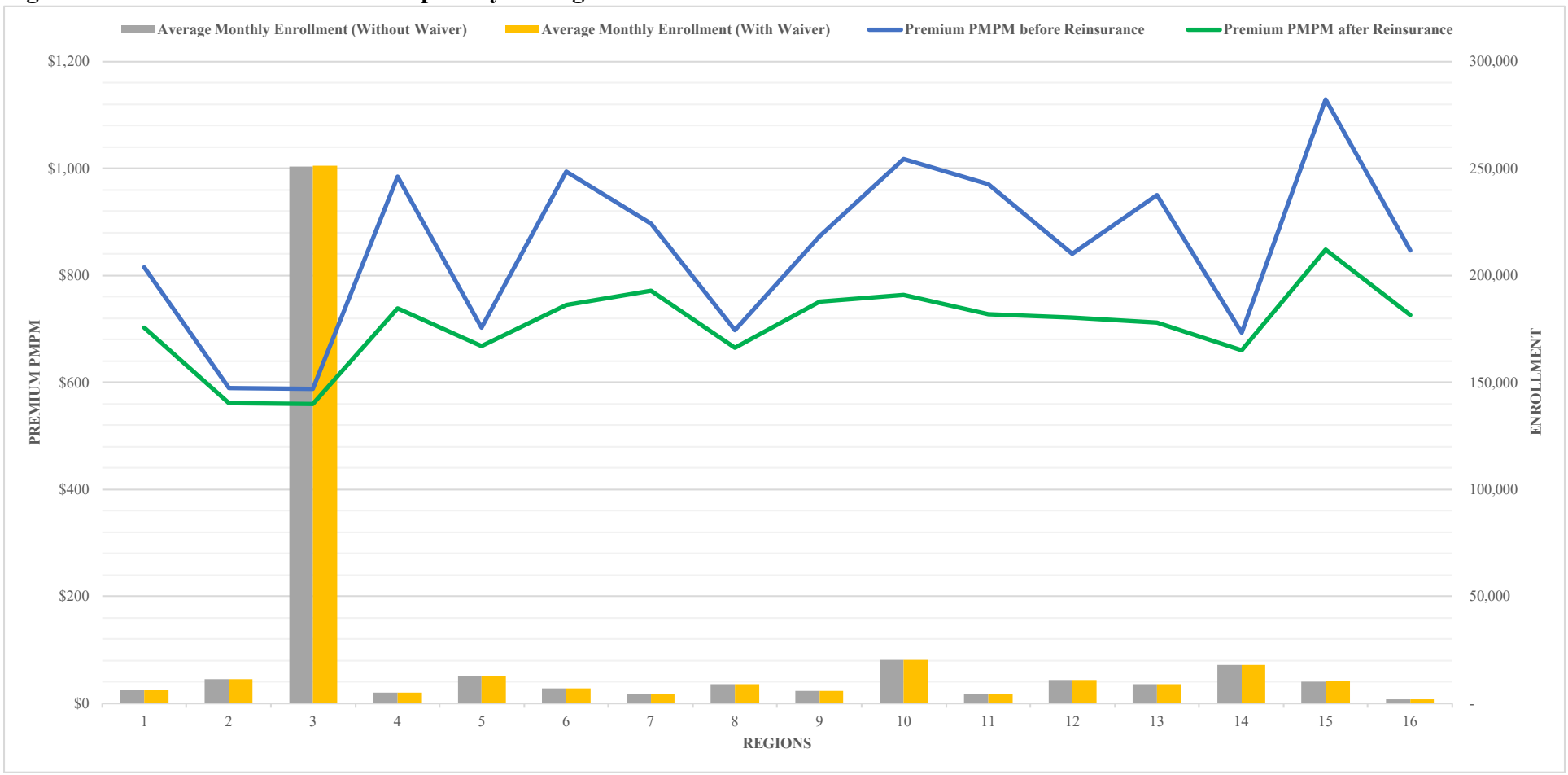
	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Without Waiver										
Total Individual Market[I]	$680	$714	$749	$786	$824	$865	$907	$952	$999	$1,048
QHPs[II]	$681	$715	$750	$787	$825	$866	$908	$953	$1,000	$1,049
Metal Level QHPs[III]	$684	$717	$753	$790	$828	$869	$912	$957	$1,004	$1,053
With Waiver										
Total Individual Market[I]	$613	$641	$671	$702	$735	$770	$806	$845	$885	$926
QHPs[II]	$613	$642	$672	$703	$736	$771	$807	$846	$886	$927
Metal Level QHPs[III]	$616	$644	$674	$706	$739	$774	$811	$849	$889	$931
Comparison ($)										
Total Individual Market[I]	($68)	($73)	($78)	($83)	($89)	($95)	($101)	($107)	($114)	($122)
QHPs[II]	($68)	($73)	($78)	($83)	($89)	($95)	($101)	($108)	($114)	($122)
Metal Level QHPs[III]	($68)	($73)	($78)	($84)	($89)	($95)	($101)	($108)	($115)	($123)
Comparison (%)										
Total Individual Market[I]	-10.0%	-10.2%	-10.4%	-10.6%	-10.8%	-11.0%	-11.1%	-11.3%	-11.4%	-11.6%
QHPs[II]	-10.0%	-10.2%	-10.4%	-10.6%	-10.8%	-11.0%	-11.1%	-11.3%	-11.4%	-11.6%
Metal Level QHPs[III]	-10.0%	-10.2%	-10.4%	-10.6%	-10.8%	-11.0%	-11.1%	-11.3%	-11.4%	-11.6%

[I] *Includes Grandfathered Plans and QHPs*

[II] *Includes Metal Level QHPs and Catastrophic Plans*

[III] *Excludes Catastrophic Plans*

Figure IV.I: PY 2021 Reinsurance Impact by Rating Area



Appendix V: Detailed Estimates for Phase I and Phase II: Reinsurance Program and Georgia Access Model

Table V.I: 10-year Federal Deficit Comparison Without and With Waiver (Reinsurance and Georgia Access) (in $ millions)

Category of Impact	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Baseline Without Waiver										
Federal Expenses										
(a) Total Subsidies	$2,493	$2,625	$2,764	$2,910	$3,063	$3,224	$3,393	$3,571	$3,758	$3,954
(b) Total FFE User Fees	$106	$111	$116	$122	$128	$134	$141	$148	$155	$163
Federal Revenues										
(c) Total FFE User Fees	$106	$111	$116	$122	$128	$134	$141	$148	$155	$163
(d) Total HIF	$70	$73	$77	$80	$84	$89	$93	$97	$102	$107
With Waiver (Reinsurance and Georgia Access)										
Federal Expenses										
(e) Total Subsidies [I]	$2,212	$0	$0	$0	$0	$0	$0	$0	$0	$0
(f) FFE Expense Funded by User Fees [II]	$106	$0	$0	$0	$0	$0	$0	$0	$0	$0
Federal Revenues										
(g) Total FFE User Fees	$95	$0	$0	$0	$0	$0	$0	$0	$0	$0
(h) Total HIF	$63	$69	$72	$75	$79	$83	$87	$91	$95	$100
Comparison [III]										
(I) Total Subsidy Reduction (a - e)	$281	$2,625	$2,764	$2,910	$3,063	$3,224	$3,393	$3,571	$3,758	$3,954
(j) Total FFE User Fees Reduction (g - f) - (c - b)	($10)	$0	$0	$0	$0	$0	$0	$0	$0	$0
(k) Total HIF Reduction (h - d)	($7)	($4)	($5)	($5)	($5)	($6)	($6)	($7)	($7)	($8)
(l) Estimated Net Federal Savings (i+j+k)	**$264**	**$2,621**	**$2,760**	**$2,905**	**$3,058**	**$3,218**	**$3,387**	**$3,564**	**$3,751**	**$3,946**

[I] *When Phase 2 comes into effect in 2022, the Federal Government will no longer be responsible for subsidy payments*

[II] *When Phase 2 comes into effect in 2022, the Federal Government will no longer collect FFE User Fees, however, they will also no longer incur any expenses on the FFE for Georgia plans*

[III] *Totals may not equal sum of the parts due to rounding*

Table V.II: Baseline Without and With Waiver (Reinsurance and Georgia Access) and Funding Estimates, PYs 2021-2030

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Baseline Without Waiver										
Enrollment										
On Exchange Subsidized	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584	333,584
On Exchange Unsubsidized	32,279	32,279	32,279	32,279	32,279	32,279	32,279	32,279	32,279	32,279
Off Exchange Unsubsidized	20,928	20,928	20,928	20,928	20,928	20,928	20,928	20,928	20,928	20,928
Grandfathered	972	972	972	972	972	972	972	972	972	972
Total[1]	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**	**387,764**
PMPM										
On Exchange Subsidized	$700	$734	$770	$808	$848	$889	$933	$979	$1,027	$1,078
On Exchange Unsubsidized	$553	$580	$608	$638	$670	$702	$737	$773	$811	$851
Off Exchange Unsubsidized	$586	$615	$645	$677	$710	$745	$782	$820	$860	$903
Grandfathered	$323	$339	$355	$373	$391	$411	$431	$452	$474	$497
Total[1]	**$680**	**$714**	**$749**	**$786**	**$824**	**$865**	**$907**	**$952**	**$999**	**$1,048**
Total Premium (In $ millions)										
On Exchange Subsidized	$2,801	$2,938	$3,083	$3,234	$3,393	$3,560	$3,735	$3,919	$4,111	$4,314
On Exchange Unsubsidized	$214	$225	$236	$247	$259	$272	$285	$300	$314	$330
Off Exchange Unsubsidized	$147	$154	$162	$170	$178	$187	$196	$206	$216	$227
Grandfathered	$4	$4	$4	$4	$5	$5	$5	$5	$6	$6
Total[1]	**$3,166**	**$3,322**	**$3,485**	**$3,656**	**$3,835**	**$4,024**	**$4,222**	**$4,429**	**$4,647**	**$4,876**
With Waiver										
Target Reinsurance Funding (In $ millions)	$281	$2,730	$2,874	$3,025	$3,183	$3,350	$3,525	$3,709	$3,902	$4,105
Percent Change in Premium	-10.0%	-14.1%	-14.3%	-14.5%	-14.6%	-14.8%	-15.0%	-15.1%	-15.3%	-15.4%
Percent Change in Enrollment	0.4%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.7%	9.8%	9.8%
Enrollment										
On Exchange Subsidized	333,584	355,634	355,634	355,634	355,634	355,634	355,634	355,634	355,634	355,634
On Exchange Unsubsidized	33,048	46,558	46,630	46,658	46,679	46,696	46,712	46,728	46,744	46,764
Off Exchange Unsubsidized	21,663	21,959	22,016	22,042	22,062	22,079	22,095	22,111	22,128	22,148
Grandfathered	972	972	972	972	972	972	972	972	972	972
Total[1]	**389,268**	**425,124**	**425,253**	**425,306**	**425,348**	**425,382**	**425,414**	**425,446**	**425,479**	**425,519**
PMPM										
On Exchange Subsidized	$630	$637	$666	$698	$730	$765	$801	$839	$879	$920
On Exchange Unsubsidized	$511	$488	$511	$536	$561	$588	$616	$645	$676	$708
Off Exchange Unsubsidized	$517	$517	$540	$565	$591	$619	$648	$678	$710	$743
Grandfathered	$323	$339	$355	$373	$391	$411	$431	$452	$474	$497
Total[1]	**$613**	**$613**	**$642**	**$672**	**$704**	**$737**	**$772**	**$808**	**$847**	**$886**
Total Premium (In $ millions)										
On Exchange Subsidized	$2,521	$2,717	$2,844	$2,977	$3,117	$3,264	$3,418	$3,580	$3,749	$3,925
On Exchange Unsubsidized	$203	$273	$286	$300	$314	$329	$345	$362	$379	$397
Off Exchange Unsubsidized	$134	$136	$143	$149	$157	$164	$172	$180	$189	$197
Grandfathered	$4	$4	$4	$4	$5	$5	$5	$5	$6	$6
Total[1]	**$2,862**	**$3,130**	**$3,277**	**$3,431**	**$3,592**	**$3,762**	**$3,940**	**$4,127**	**$4,323**	**$4,525**
Funding Estimates (In $ millions)										
Program Costs										
Reinsurance Program Cost	$367	$419	$448	$478	$511	$544	$579	$617	$656	$701
State Subsidies	$0	$2,399	$2,520	$2,648	$2,781	$2,923	$3,071	$3,227	$3,390	$3,559
Infrastructure/IT/Operational Cost (Reinsurance)	$1	$1	$1	$1	$1	$1	$1	$1	$1	$1
Infrastructure/IT/Operational Cost (Georgia Access)	$0	$19	$5	$5	$5	$5	$5	$5	$5	$5
Federal Revenue Reductions										
HIF Reduction	$7	$4	$5	$5	$5	$6	$6	$7	$7	$8
FFE User Fees Reduction	$10	$0	$0	$0	$0	$0	$0	$0	$0	$0
State Funding Sources										
State User Fees	$0	($105)	($110)	($115)	($120)	($126)	($132)	($138)	($144)	($151)
Pass Through Funding	($281)	($2,625)	($2,764)	($2,910)	($3,063)	($3,224)	($3,393)	($3,571)	($3,758)	($3,954)
State Funding Requirement (In $ millions)[1]	**$104**	**$111**	**$104**	**$112**	**$120**	**$129**	**$138**	**$147**	**$157**	**$168**

[1] Totals may not equal sum of the parts due to rounding

Table V.III: SLCSP Premium PMPM Without Waiver by Rating Area and Issuer Specific Service Area, PYs 2021 – 2030

Rating Area	Sub-area[1]	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Baseline Without Waiver SLSCP Premium PMPM											
1	Entire Area	$487	$511	$536	$563	$590	$619	$650	$682	$715	$750
2	A	$365	$382	$401	$421	$442	$463	$486	$510	$535	$561
2	B	$569	$597	$626	$657	$689	$723	$758	$796	$835	$876
3	A	$490	$514	$539	$566	$593	$623	$653	$685	$719	$754
3	B	$390	$409	$429	$450	$472	$496	$520	$546	$572	$601
3	C	$371	$389	$408	$428	$449	$471	$494	$519	$544	$571
3	D	$582	$611	$641	$672	$706	$740	$777	$815	$855	$897
4	Entire Area	$736	$772	$810	$849	$891	$935	$981	$1,029	$1,080	$1,133
5	A	$495	$520	$545	$572	$600	$630	$661	$693	$727	$763
5	B	$479	$502	$527	$553	$580	$608	$638	$670	$703	$737
6	A	$341	$358	$375	$393	$413	$433	$454	$477	$500	$525
6	B	$659	$691	$725	$761	$798	$838	$879	$922	$967	$1,015
7	Entire Area	$369	$387	$406	$426	$447	$469	$492	$517	$542	$569
8	A	$375	$394	$413	$433	$455	$477	$501	$525	$551	$578
8	B	$607	$637	$668	$701	$735	$771	$809	$849	$891	$935
9	A	$500	$524	$550	$577	$606	$635	$667	$699	$734	$770
9	B	$352	$369	$387	$406	$426	$447	$469	$492	$516	$542
10	Entire Area	$536	$563	$590	$619	$650	$682	$715	$750	$787	$826
11	A	$674	$707	$741	$778	$816	$856	$898	$942	$989	$1,037
11	B	$313	$329	$345	$362	$379	$398	$418	$438	$460	$482
12	A	$380	$398	$418	$438	$460	$482	$506	$531	$557	$585
12	B	$592	$621	$651	$683	$717	$752	$789	$828	$869	$912
13	A	$517	$542	$569	$597	$626	$657	$689	$723	$758	$796
13	B	$509	$534	$560	$588	$617	$647	$679	$712	$747	$784
13	C	$312	$328	$344	$361	$378	$397	$416	$437	$458	$481
14	Entire Area	$385	$404	$424	$445	$467	$490	$514	$539	$566	$594
15	A	$315	$331	$347	$364	$382	$401	$420	$441	$463	$486
15	B	$762	$799	$838	$879	$923	$968	$1,016	$1,066	$1,118	$1,173
16	Entire Area	$565	$592	$621	$652	$684	$718	$753	$790	$829	$869

[1] *List of counties in each sub-area are shown in Appendix III*

Table V.IV: SLCSP Premium PMPM With Waiver (Reinsurance and Georgia Access) by Rating Area and Issuer Specific Service Area, PYs 2021 – 2030

Rating Area	Sub-area[1]	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
						With Waiver SLCSP Premium PMPM					
1	Entire Area	$418	$434	$452	$470	$490	$511	$532	$555	$578	$602
2	A	$346	$360	$376	$392	$410	$428	$446	$466	$487	$508
2	B	$540	$562	$587	$612	$639	$667	$697	$727	$759	$793
3	A	$465	$484	$505	$527	$550	$575	$600	$626	$654	$683
3	B	$370	$385	$402	$420	$438	$457	$478	$499	$521	$543
3	C	$352	$366	$382	$399	$417	$435	$454	$474	$495	$517
3	D	$553	$575	$601	$627	$654	$683	$713	$745	$778	$812
4	Entire Area	$552	$571	$592	$615	$639	$664	$690	$717	$746	$774
5	A	$471	$490	$511	$533	$557	$581	$607	$634	$661	$690
5	B	$455	$473	$494	$515	$538	$562	$586	$612	$639	$667
6	A	$256	$264	$274	$285	$296	$308	$320	$332	$345	$359
6	B	$495	$511	$531	$551	$572	$595	$618	$643	$668	$693
7	Entire Area	$317	$329	$342	$357	$371	$387	$403	$421	$438	$456
8	A	$357	$371	$387	$404	$422	$440	$460	$480	$501	$523
8	B	$576	$600	$626	$653	$682	$712	$743	$776	$810	$846
9	A	$429	$445	$463	$483	$503	$524	$546	$569	$593	$618
9	B	$302	$313	$326	$340	$354	$369	$384	$400	$417	$435
10	Entire Area	$403	$416	$432	$449	$466	$484	$503	$523	$544	$564
11	A	$506	$522	$543	$563	$585	$608	$632	$657	$683	$709
11	B	$235	$243	$252	$262	$272	$283	$294	$306	$318	$330
12	A	$326	$338	$352	$367	$382	$398	$415	$432	$450	$469
12	B	$508	$527	$549	$572	$595	$620	$647	$674	$702	$732
13	A	$388	$401	$416	$432	$449	$466	$485	$504	$524	$544
13	B	$382	$395	$410	$426	$442	$460	$478	$497	$516	$536
13	C	$234	$242	$252	$261	$271	$282	$293	$305	$317	$329
14	Entire Area	$366	$381	$397	$415	$433	$452	$472	$493	$514	$537
15	A	$237	$245	$254	$264	$274	$285	$296	$308	$320	$332
15	B	$572	$591	$613	$637	$661	$687	$715	$743	$772	$801
16	Entire Area	$484	$502	$523	$545	$568	$592	$617	$643	$670	$698

[1] *List of counties in each sub-area are shown in Appendix III*

Table V.V: Baseline Without Waiver and With Waiver (Reinsurance and Georgia Access) Enrollment by FPL, PYs 2021 – 2030

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
On Exchange Subsidized										
Baseline Without Waiver										
<100% of FPL	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303	8,303
≥100% to ≤150% of FPL	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800	169,800
>150% to ≤200% of FPL	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063	68,063
>200% to ≤250% of FPL	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542	36,542
>250% to ≤300% of FPL	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224	22,224
>300% to ≤400% of FPL	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110	23,110
>400% of FPL	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543	5,543
Average Annual Enrollment[1]	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**
With Waiver										
<100% of FPL	8,303	9,589	9,589	9,589	9,589	9,589	9,589	9,589	9,589	9,589
≥100% to ≤150% of FPL	169,800	175,704	175,704	175,704	175,704	175,704	175,704	175,704	175,704	175,704
>150% to ≤200% of FPL	68,063	72,161	72,161	72,161	72,161	72,161	72,161	72,161	72,161	72,161
>200% to ≤250% of FPL	36,542	39,880	39,880	39,880	39,880	39,880	39,880	39,880	39,880	39,880
>250% to ≤300% of FPL	22,224	25,452	25,452	25,452	25,452	25,452	25,452	25,452	25,452	25,452
>300% to ≤400% of FPL	23,110	26,562	26,562	26,562	26,562	26,562	26,562	26,562	26,562	26,562
>400% of FPL	5,543	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287	6,287
Average Annual Enrollment[1]	**333,584**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**
On Exchange Unsubsidized										
Baseline Without Waiver										
<100% of FPL	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
≥100% to ≤150% of FPL	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517
>150% to ≤200% of FPL	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537
>200% to ≤250% of FPL	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886
>250% to ≤300% of FPL	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175
>300% to ≤400% of FPL	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505
>400% of FPL	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065	1,065
Average Annual Enrollment[1]	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**
With Waiver										
<100% of FPL	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595	1,595
≥100% to ≤150% of FPL	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517	10,517
>150% to ≤200% of FPL	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537	5,537
>200% to ≤250% of FPL	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886	4,886
>250% to ≤300% of FPL	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175
>300% to ≤400% of FPL	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505	4,505
>400% of FPL	1,834	15,344	15,416	15,443	15,464	15,481	15,498	15,514	15,530	15,550
Average Annual Enrollment[1]	**33,048**	**46,558**	**46,630**	**46,658**	**46,679**	**46,696**	**46,712**	**46,728**	**46,744**	**46,764**
Off Exchange Unsubsidized										
Baseline Without Waiver										
<100% of FPL	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684
≥100% to ≤150% of FPL	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609
>150% to ≤200% of FPL	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842
>200% to ≤250% of FPL	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348
>250% to ≤300% of FPL	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
>300% to ≤400% of FPL	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376
>400% of FPL	8,846	8,846	8,846	8,846	8,846	8,846	8,846	8,846	8,846	8,846
Average Annual Enrollment[1]	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**
With Waiver										
<100% of FPL	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684	3,684
≥100% to ≤150% of FPL	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609	1,609
>150% to ≤200% of FPL	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842
>200% to ≤250% of FPL	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348
>250% to ≤300% of FPL	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223	1,223
>300% to ≤400% of FPL	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376	2,376
>400% of FPL	9,581	9,877	9,934	9,960	9,980	9,997	10,013	10,029	10,046	10,066
Average Annual Enrollment[1]	**21,663**	**21,959**	**22,016**	**22,042**	**22,062**	**22,079**	**22,095**	**22,111**	**22,128**	**22,148**

[1] *Totals may not equal sum of the parts due to rounding*

Table V.VI: Baseline Without Waiver and With Waiver (Reinsurance and Georgia Access) Average Annual Enrollment by Metal Level, PYs 2021 – 2030

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
On Exchange Subsidized										
Baseline Without Waiver										
Bronze	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769	39,769
Silver	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771	277,771
Gold	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044	16,044
Average Annual Enrollment[1]	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**	**333,584**
With Waiver										
Bronze	39,769	31,237	31,237	31,237	31,237	31,237	31,237	31,237	31,237	31,237
Silver	277,771	240,151	240,151	240,151	240,151	240,151	240,151	240,151	240,151	240,151
Gold	16,044	13,766	13,766	13,766	13,766	13,766	13,766	13,766	13,766	13,766
Copper	-	23,287	23,287	23,287	23,287	23,287	23,287	23,287	23,287	23,287
Bronze - Disease	-	5,170	5,170	5,170	5,170	5,170	5,170	5,170	5,170	5,170
Silver - Disease	-	39,745	39,745	39,745	39,745	39,745	39,745	39,745	39,745	39,745
Gold - Disease	-	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278	2,278
Average Annual Enrollment[1]	**333,584**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**	**355,634**
On Exchange Unsubsidized										
Baseline Without Waiver										
Bronze	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654	12,654
Silver	12,566	12,566	12,566	12,566	12,566	12,566	12,566	12,566	12,566	12,566
Gold	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355	5,355
Catastrophic	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704	1,704
Average Annual Enrollment[1]	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**	**32,279**
With Waiver										
Bronze	12,961	8,283	8,304	8,312	8,318	8,323	8,327	8,332	8,337	8,342
Silver	12,837	11,140	11,166	11,176	11,183	11,188	11,193	11,199	11,204	11,210
Gold	5,503	4,781	4,794	4,799	4,803	4,806	4,809	4,812	4,815	4,819
Catastrophic	1,747	1,935	1,938	1,939	1,941	1,942	1,943	1,944	1,945	1,946
Copper	-	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412	16,412
Bronze - Disease	-	1,371	1,374	1,376	1,377	1,377	1,378	1,379	1,380	1,381
Silver - Disease	-	1,844	1,848	1,850	1,851	1,852	1,853	1,853	1,854	1,855
Gold - Disease	-	791	793	794	795	795	796	796	797	798
Average Annual Enrollment[1]	**33,048**	**46,558**	**46,630**	**46,658**	**46,679**	**46,696**	**46,712**	**46,728**	**46,744**	**46,764**
Off Exchange Unsubsidized										
Baseline Without Waiver										
Bronze	9,173	9,173	9,173	9,173	9,173	9,173	9,173	9,173	9,173	9,173
Silver	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494	8,494
Gold	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373	2,373
Catastrophic	888	888	888	888	888	888	888	888	888	888
Average Annual Enrollment[1]	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**	**20,928**
With Waiver										
Bronze	9,502	5,618	5,636	5,644	5,650	5,655	5,660	5,665	5,670	5,676
Silver	8,793	7,650	7,674	7,684	7,693	7,700	7,706	7,713	7,720	7,728
Gold	2,448	2,128	2,135	2,137	2,139	2,141	2,143	2,144	2,146	2,148
Catastrophic	920	926	928	929	930	931	931	932	933	934
Copper	-	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088
Bronze - Disease	-	930	933	934	935	936	937	938	938	939
Silver - Disease	-	1,266	1,270	1,272	1,273	1,274	1,275	1,276	1,278	1,279
Gold - Disease	-	352	353	354	354	354	355	355	355	355
Average Annual Enrollment[1]	**21,663**	**21,959**	**22,016**	**22,042**	**22,062**	**22,079**	**22,095**	**22,111**	**22,128**	**22,148**
Total Average Annual Enrollment										
Baseline Without Waiver	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**	**386,792**
With Waiver	**388,295**	**424,152**	**424,281**	**424,334**	**424,375**	**424,409**	**424,441**	**424,474**	**424,507**	**424,547**

[1] *Totals may not equal sum of the parts due to rounding*

Table V.VII: Baseline Without Waiver PY 2022 Average Annual Enrollment by FPL and Metal Level

	Bronze	Silver	Gold	Catastrophic	Total
On Exchange Subsidized					
0% to 100% FPL	2,299	5,152	853	N/A	8,303
100% to 150% FPL	8,625	160,363	812	N/A	169,800
150% to 200% FPL	6,708	60,136	1,219	N/A	68,063
200% to 250% FPL	6,708	25,773	4,062	N/A	36,542
250% to 300% FPL	6,708	11,454	4,062	N/A	22,224
300% to 400% FPL	7,187	11,454	4,468	N/A	23,110
400%+ FPL	1,534	3,439	569	N/A	5,543
Total[1]	**39,769**	**277,771**	**16,044**	**N/A**	**333,584**
On Exchange Unsubsidized					
0% to 100% FPL	731	233	285	346	1,595
100% to 150% FPL	2,744	7,255	271	247	10,517
150% to 200% FPL	2,134	2,721	407	275	5,537
200% to 250% FPL	2,134	1,166	1,356	230	4,886
250% to 300% FPL	2,134	518	1,356	166	4,175
300% to 400% FPL	2,287	518	1,491	209	4,505
400%+ FPL	488	156	190	231	1,065
Total[1]	**12,654**	**12,566**	**5,355**	**1,704**	**32,279**
Off Exchange Unsubsidized					
0% to 100% FPL	1,615	1,495	418	156	3,684
100% to 150% FPL	705	653	182	68	1,609
150% to 200% FPL	807	748	209	78	1,842
200% to 250% FPL	591	547	153	57	1,348
250% to 300% FPL	536	496	139	52	1,223
300% to 400% FPL	1,042	965	269	101	2,376
400%+ FPL	3,877	3,590	1,003	375	8,846
Total[1]	**9,173**	**8,494**	**2,373**	**888**	**20,928**

[1] *Totals may not equal sum of the parts due to rounding*

Table V.VIII: With Waiver (Reinsurance and Georgia Access) PY 2022 Average Annual Enrollment by FPL and Metal Level

	Bronze	Silver	Gold	Catastrophic	Copper	Total
On Exchange Subsidized						
0% to 100% FPL	3,545	5,191	853	N/A	-	9,589
100% to 150% FPL	13,302	161,590	812	N/A	-	175,704
150% to 200% FPL	10,346	60,596	1,219	N/A	-	72,161
200% to 250% FPL	2,792	25,970	4,062	N/A	7,056	39,880
250% to 300% FPL	2,792	11,542	4,062	N/A	7,056	25,452
300% to 400% FPL	2,991	11,542	4,468	N/A	7,560	26,562
400%+ FPL	639	3,465	569	N/A	1,614	6,287
Total[I]	**36,406**	**279,896**	**16,044**	**N/A**	**23,287**	**355,634**
On Exchange Unsubsidized						
0% to 100% FPL	494	233	285	346	238	1,595
100% to 150% FPL	1,852	7,255	271	247	892	10,517
150% to 200% FPL	1,441	2,721	407	275	694	5,537
200% to 250% FPL	1,441	1,166	1,356	230	694	4,886
250% to 300% FPL	1,441	518	1,356	166	694	4,175
300% to 400% FPL	1,544	518	1,491	209	743	4,505
400%+ FPL	1,443	573	407	462	12,459	15,344
Total[I]	**9,654**	**12,984**	**5,572**	**1,935**	**16,412**	**46,558**
Off Exchange Unsubsidized						
0% to 100% FPL	1,090	1,495	418	156	525	3,684
100% to 150% FPL	476	653	182	68	229	1,609
150% to 200% FPL	545	748	209	78	262	1,842
200% to 250% FPL	399	547	153	57	192	1,348
250% to 300% FPL	362	496	139	52	174	1,223
300% to 400% FPL	703	965	269	101	339	2,376
400%+ FPL	2,973	4,013	1,111	413	1,367	9,877
Total[I]	**6,548**	**8,917**	**2,481**	**926**	**3,088**	**21,959**

[1] *Totals may not equal sum of the parts due to rounding*

Table V.IX: 10-Year Projection of Key Figures – Without Waiver and With Waiver (Reinsurance and Georgia Access)

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Without Waiver										
Total Enrollment	387,764	387,764	387,764	387,764	387,764	387,764	387,764	387,764	387,764	387,764
Total Premium (In $ millions)	$3,166	$3,322	$3,485	$3,656	$3,835	$4,024	$4,222	$4,429	$4,647	$4,876
Total APTC (In $ millions)	$2,493	$2,625	$2,764	$2,910	$3,063	$3,224	$3,393	$3,571	$3,758	$3,954
Total User Fees (In $ millions)	$106	$111	$116	$122	$128	$134	$141	$148	$155	$163
Total HIF (In $ millions)	$70	$73	$77	$80	$84	$89	$93	$97	$102	$107
With Waiver										
Total Enrollment	389,268	425,124	425,253	425,306	425,348	425,382	425,414	425,446	425,479	425,519
Total Premium (In $ millions)	$2,862	$3,130	$3,277	$3,431	$3,592	$3,762	$3,940	$4,127	$4,323	$4,525
Total APTC (In $ millions)	$2,212	$2,399	$2,520	$2,648	$2,781	$2,923	$3,071	$3,227	$3,390	$3,559
Total User Fees (In $ millions)	$95	$105	$110	$115	$120	$126	$132	$138	$144	$151
Total HIF (In $ millions)	$63	$69	$72	$75	$79	$83	$87	$91	$95	$100
Comparison										
Total Enrollment	1,504	37,360	37,489	37,542	37,584	37,618	37,650	37,682	37,715	37,755
Total Premium (In $ millions)	($304)	($192)	($208)	($225)	($243)	($262)	($281)	($302)	($325)	($350)
Total APTC (In $ millions)	($281)	($227)	($244)	($262)	($282)	($301)	($322)	($344)	($368)	($395)
Total User Fees (In $ millions)	($10)	($6)	($7)	($7)	($8)	($8)	($9)	($10)	($10)	($11)
Total HIF (In $ millions)	($7)	($4)	($5)	($5)	($5)	($6)	($6)	($7)	($7)	($8)

Table V.X: Average Individual Market Premium Rate Projections Without and With Waiver (Reinsurance and Georgia Access)

	PY 2021	PY 2022	PY 2023	PY 2024	PY 2025	PY 2026	PY 2027	PY 2028	PY 2029	PY 2030
Without Waiver										
Total Individual Market[I]	$680	$714	$749	$786	$824	$865	$907	$952	$999	$1,048
QHPs[II]	$681	$715	$750	$787	$825	$866	$908	$953	$1,000	$1,049
Metal Level QHPs[III]	$684	$717	$753	$790	$828	$869	$912	$957	$1,004	$1,053
With Waiver										
Total Individual Market[IV]	$613	$613	$642	$672	$704	$737	$772	$808	$847	$886
QHPs[II]	$613	$614	$643	$673	$704	$738	$773	$809	$847	$887
Metal Level QHPs[III]	$616	$616	$645	$675	$707	$740	$775	$812	$851	$890
Comparison ($)										
Total Individual Market	($68)	($100)	($107)	($113)	($121)	($128)	($135)	($144)	($152)	($162)
QHPs[II]	($68)	($101)	($107)	($114)	($121)	($128)	($136)	($144)	($153)	($162)
Metal Level QHPs[III]	($68)	($101)	($108)	($114)	($121)	($129)	($136)	($145)	($153)	($163)
Comparison (%)										
Total Individual Market	-10.0%	-14.1%	-14.2%	-14.4%	-14.6%	-14.8%	-14.9%	-15.1%	-15.2%	-15.4%
QHPs[II]	-10.0%	-14.1%	-14.3%	-14.5%	-14.6%	-14.8%	-15.0%	-15.1%	-15.3%	-15.4%
Metal Level QHPs[III]	-10.0%	-14.1%	-14.3%	-14.5%	-14.7%	-14.8%	-15.0%	-15.1%	-15.3%	-15.5%

[I] *Includes Grandfathered Plans and QHPs*

[II] *Includes Metal Level QHPs and Catastrophic Plans*

[III] *Excludes Catastrophic Plans*

[IV] *Includes Grandfathered Plans, QHPs, and Eligible non-QHPs*

Appendix VI: Crosswalk to CMS Checklist

CMS Checklist Item	Section in Memo (Reinsurance Only)	Section in Memo (Reinsurance and Georgia Access)
• An actuarial analysis and certification, which should be conducted by a member of the American Academy of Actuaries, to support the state's finding that the proposed waiver complies with the coverage, comprehensiveness, and affordability requirements in each year of the waiver.	Section 6	Section 6
Coverage: • A section 1332 state plan may comply with the coverage requirement if a comparable number of state residents eligible for coverage under title I of the PPACA will have health care coverage under the section 1332 state plan as would have had coverage absent the waiver. • The Departments will consider all forms of private coverage in addition to public coverage, including employer-based coverage, individual market coverage, and other forms of private coverage. • As provided in 31 CFR part 33 and 45 CFR part 155, subpart N, the waiver application must include analysis and supporting data that establishes that the waiver satisfies the scope of coverage requirement, including information on the number of individuals covered by income, health expenses, health insurance status, and age group, under title I of PPACA and under the waiver, including year-by-year estimates • The application should identify any types of individuals who are more or less likely to be covered under the waiver than under current law.	Section 2.3, Section 5, Section 6.1, and Appendix IV	Section 2.3, Section 5, Section 6.1, and Appendix V

CMS Checklist Item	Section in Memo (Reinsurance Only)	Section in Memo (Reinsurance and Georgia Access)
Comprehensiveness and Affordability • A section 1332 state plan may comply with the comprehensiveness and affordability requirements if access to coverage that is as affordable and comprehensive as coverage forecasted to have been available in the absence of the waiver is projected to be available to a comparable number of people under the waiver. • The Departments will not require estimates demonstrating that this coverage will actually be purchased by a comparable number of state residents. • As provided in 31 CFR part 33 and 45 CFR part 155, subpart N, the waiver application must include analysis and supporting data that establishes that the waiver satisfies the comprehensiveness and affordability guardrails. • This includes an explanation of how the coverage available under the waiver differ from the coverage chosen absent the waiver (if the coverage differs at all) and how the state determined the coverage to be as comprehensive. • It also includes information on estimated individual out-of-pocket costs (premium and out-of-pocket expenses for deductibles, co-payments, co-insurance, co-payments and plan differences) by income, health expenses, health insurance status, and age groups, absent the waiver and for available coverage under the waiver. • The application should identify any types of individuals (including those individuals who are low income or have high expected health care costs) for whom affordability of coverage would be reduced by the waiver and also identify any types of individuals for whom affordability of coverage would be improved by the waiver. • Additionally, a 1332 state plan must address how the waiver impacts those with high expected health care costs and those with low incomes, the analysis should include the impact on these consumers.	Section 2.3, Section 5, Section 6.2, and Appendix IV	Section 2.3, Section 5, Section 6.2, and Appendix V

CMS Checklist Item	Section in Memo (Reinsurance Only)	Section in Memo (Reinsurance and Georgia Access)
Federal Deficit Neutrality • An economic analysis to support the state's finding that the waiver will not increase the federal deficit over the period of the waiver (which may not exceed five years unless renewed) or in total over the ten-year budget period. • The ten-year budget plan should describe the changes in projected federal spending and changes in federal revenues attributed to the waiver for each of the ten years. • The Departments will continue to evaluate the deficit neutrality guardrail on a yearly basis. A waiver that increases the deficit in any one year is less likely to be approved.	Section 2.3, Section 5, Section 6.3, and Appendix IV	Section 2.3, Section 5, Section 6.3, and Appendix V
The data and assumptions that the state relied upon to determine the effect of the waiver on coverage, comprehensiveness, affordability, and deficit neutrality requirements.	Section 3	Section 3
The actuarial and economic analyses should compare coverage, comprehensiveness, affordability, and net Federal spending and revenues under the waiver to those measures absent the waiver (the baseline) for each year of the waiver. If a state is requesting pass-through funding, the state should quantify the effect of the waiver on each guardrail.	Section 5, Section 6, and Appendix IV	Section 5, Section 6, and Appendix V
• The deficit analysis should show yearly changes in the federal deficit (that is, revenues less spending) due to the waiver. • It should include a description of all costs associated with the program, including federal administrative costs, foregone tax collections, and any other costs that the federal government might incur.	Section 5.1 and Appendix IV	Section 5.3 and Appendix V

CMS Checklist Item	Section in Memo (Reinsurance Only)	Section in Memo (Reinsurance and Georgia Access)
• Where a state intends to rely on CMS for services in support of the state's section 1332 waiver plan including for eligibility determinations or data verification services to support eligibility determinations pursuant to the Intergovernmental Cooperation Act (ICA), the state must cover CMS's costs. • The Departments will not consider costs for CMS services covered under the ICA as an increase in federal spending resulting from the state's waiver plan for purposes of the deficit neutrality analysis. • *Note*: States should describe in the state's implementation plan if the state's plan requires assistance from CMS for any services. • Additional information may be required to facilitate evaluation of the state's estimates and calculation of pass-through amounts by the Departments depending on the state's section 1332 waiver plan.	Not applicable	Not applicable
• For waivers that impact the individual market, the state should use a baseline in which there is no state waiver plan in effect, and should compare premiums, comprehensiveness, and coverage under the baseline for each year to those projected under the waiver. • For waivers that impact the individual market, data used to produce these estimates might include overall and Second Lowest Cost Silver Plan premium (SLCSP)	Section 4, Section 5, and Appendix IV	Section 4, Section 5, and Appendix V
An estimate of the following items separately under both a 'without-waiver' scenario and a 'with-waiver' scenario: • Number of non-group market enrollees by income as a share of FPL (0% - 99%, ≥100% to ≤150%, >150% to ≤200%, >200% to ≤250%, >250% to ≤300%, >300%- ≤400%, and greater than 400% of FPL), by PTC-eligibility, and by plan.	Appendix IV	Appendix V
An estimate of the following items separately under both a 'without-waiver' scenario and a 'with-waiver' scenario:	Appendix IV	Appendix V

CMS Checklist Item	Section in Memo (Reinsurance Only)	Section in Memo (Reinsurance and Georgia Access)
• Overall average non-group market premium rate.		
An estimate of the following items separately under both a 'without-waiver' scenario and a 'with-waiver' scenario: • SLCSP rate or if a state is pursuing a State-Specific Premium Assistance Waiver Concept the state applicable benchmark plan rate for the state subsidy program for a representative consumer (e.g., a 21-year old non-smoker), by rating area and issuer-specific service area. The state needs to identify where issuers have service areas that are smaller than rating areas.	Appendix IV	Appendix V
An estimate of the following items separately under both a 'without-waiver' scenario and a 'with-waiver' scenario: • The state's age rating curve (or statement that federal default is used)	Not applicable, Georgia uses the federal default under both scenarios	Not applicable, Georgia uses the federal default under both scenarios
An estimate of the following items separately under both a 'without-waiver' scenario and a 'with-waiver' scenario: • Aggregate premiums, PTC, and, if pursuing a State-Specific Premium Assistance Waiver Concept, the applicable state subsidy amounts	Section 4, Section 5, and Appendix IV	Section 4, Section 5, and Appendix V
Exchange user fee for Federally-facilitated Exchanges (FFE) or State-based Exchanges using the Federal Platform (SBE-FP) states. • Documentation of all assumptions and methodology used to develop the estimates and growth of health care spending.	Section 4, Section 5, and Appendix IV	Section 4, Section 5, and Appendix V
• In addition to the information above, states considering establishing a *Risk Stabilization Waiver Concept* to implement a state operated high-risk pool/reinsurance program/state complex care plan should use a baseline in which there is no state or federal funding for a state high-risk pool/reinsurance program, and should compare premiums and coverage	Section 4, Section 5, and Appendix IV	Section 4, Section 5, and Appendix V

CMS Checklist Item	Section in Memo (Reinsurance Only)	Section in Memo (Reinsurance and Georgia Access)
under the baseline for each year to those projected under the waiver (i.e. with a high-risk pool/reinsurance program in effect).		
In addition to the information above the actuarial or economic analyses must include: • A comprehensive description of the parameters of the reinsurance arrangement, including projected funding levels. • For waivers that implement programs that reimburse high-cost claims like reinsurance or a high-risk pool, the state must provide the projected reimbursements under the program, along with the assumptions used to develop the projected reimbursements, including the expected distribution of claims by claim size.	Section 2, Section 3, and Section 5.1	Section 2, Section 3, and Section 5.1

Appendix D: Public Notice

Public Notice

Reinsurance and Georgia Access Model – State Relief and Empowerment Waiver (Section 1332 Waiver)

Pursuant to 31 CFR 33.112 and 45 CFR 155.1312, notice is hereby given that the State of Georgia intends to submit a Section 1332 Waiver to the Department of Treasury (Treasury) and Centers for Medicare & Medicaid Services (CMS) in the Department of Health and Human Services (HHS) for a reinsurance program and the Georgia Access Model. This notice provides details about the waiver submission and serves to open the 30-day public comment period, which closes on Tuesday, December 3, 2019.

Executive Summary

Georgia is requesting approval of a Section 1332 Waiver to implement a two-phased approach to address the growing healthcare access and affordability challenges facing many residents across the State. The first phase seeks to implement a reinsurance program starting in Plan Year 2021. The second phase seeks to transition the State's individual market to the Georgia Access Model starting in Plan Year 2022. The Section 1332 Waiver application is designed to reduce premiums, increase coverage, and promote a more competitive private insurance marketplace with the introduction of a state reinsurance program for Plan Years 2021 through 2025 and the Georgia Access Model for Plan Years 2022 through 2025.

Phase I – Reinsurance

Program Overview

Georgia is seeking to waive Section 1312(c)(1) of the Patient Protection and Affordable Care Act (PPACA) requiring all enrollees in the individual market to be members of a single risk pool. The goal of the reinsurance program is to stabilize the individual market to reduce premiums and incentivize carriers to offer plans in more regions across the State. By mitigating high-cost individual health claims, the reinsurance program will help stabilize Georgia's individual market and make premiums more affordable.

Georgia's reinsurance program will be a claims-based model with an attachment point, cap, and a tiered co-insurance rate. The attachment point is where the program will begin to reimburse the carrier for a percentage of high-cost claims up to the cap amount. The coinsurance rate will be based upon rating region. Rating regions will be grouped into three tiers for applied co-insurance rates. Higher co-insurance rates will be applied to high-cost regions in order to bring the premiums in these regions closer to the statewide average. Tier one includes rating regions 2, 3, 4, 8, 14. Tier two includes rating regions 1, 7, 9, 12, 16. Tier three includes rating regions 4, 6, 10, 11, 13, 15.

For PY 2021, the program is projected to reimburse claims at an average coinsurance rate of 27% for claims between the attachment point of $20,000 and an estimated $500,000 cap.

Table 1: Summary of Projected Attachment Point, Cap, and Co-insurance for PY 2021

Projected Attachment	Projected Cap	Projected Co-Insurance
$20,000	$500,000	Tier 1: 15% Tier 2: 45% Tier 3: 80%

The reinsurance program is anticipated to reduce premiums on the individual market statewide by 10% and subsequently increase enrollment by 0.4%. Total funding for the reinsurance program for Plan Year 2021 is estimated to be approximately $368 million, with partial funding by the federal government of $264 million dollars passed through to the State from the estimated net Advance Premium Tax Credit and Premium Tax Credit savings. The remainder of the program will be funded by the State General Fund.

The reinsurance program will be implemented and administrated by the Office of Health Strategy and Coordination, working in coordination with the Georgia Office of Insurance and Safety Fire Commissioner.

Alignment with Principles

Georgia's Section 1332 Waiver aligns with and advances the principles discussed in CMS' 2018 Guidance, as described below:

- **Increased Access to Affordable Private Market Coverage**: The implementation of a reinsurance program will drive down costs for consumers, increase access to affordable private market coverage options, and create incentives for carriers to expand options within high-cost areas of the State. The premium reduction will be most acutely felt by individuals over 400% of the FPL who are not eligible for federal subsidies and therefore pay the full out-of-pocket cost for premiums.

- **Encourage Sustainable Spending Growth**: The reinsurance program encourages sustainable spending growth by stabilizing the individual market within the State and promoting more cost-effective health coverage. Be reducing premiums, federal spending on tax credits is also reduced.

- **Foster State Innovation**: Georgia's tiered coinsurance approach to market stabilization fosters innovation by reshaping the traditional claims reinsurance program to target high-cost regions of the State that currently lack competition and affordable products. This program will provide Georgia consumers with greater access to affordable plan options in regions where it is most needed.

Phase II – Georgia Access Model

Program Overview

Georgia is seeking to waive the PPACA Title I, Subtitle D, Part II Sections 1301(a), 1311, 1402, and Internal Revenue Code (IRC) Section 36B to transition its individual market from the Federal

Facilitated Exchange (FFE) to the Georgia Access Model with state subsidies for Plan Years 2022 through 2025. The goal of the Georgia Access Model is to increase affordability and spur innovation in the individual market while maintaining access to QHPs and ensuring consumer protections for individuals with pre-existing conditions. The Georgia Access Model will create a competitive private insurance marketplace that provides Georgia's residents with better access, improved customer service, and expanded choice of affordable coverage options.

The Georgia Access Model will be implemented by the Office of Health Strategy and Coordination, working in coordination across state agencies including the Office of Insurance and Safety Fire Commissioner, Department of Community Health, and Department of Revenue. The State will transition responsibility for front-end functions of consumer outreach, customer service, plan shopping, selection, and enrollment from the FFE to the commercial market. The State will establish standards, determine subsidy eligibility, and issue subsidies. Funding for the program will be provided by both federal pass-through dollars and the State General Fund

Georgia Access Model design aspects:

- **Access** – Georgia will support a diverse network of private sector entities to deliver front-end functions of outreach, customer service, plan shopping, selection, and enrollment by leveraging privately funded mechanisms and incentives that already exist in the commercial market today. Web-brokers and carriers licensed and in good standing with the State that meet defined standards will be able to participate.

- **Plan Certification** – The State will be responsible for setting standards and certifying individual plans sold within the State which are eligible for state subsidies. The State intends to increase access to affordable health care coverage options while maintaining access to QHPs and ensuring consumer protections for individuals with pre-existing conditions. The State will certify metal level QHPs and Catastrophic Plans offered today in the individual market. Under this waiver, these QHPs and Catastrophic Plans will continue to look exactly the same as they do today. In addition, the State will certify Eligible non-QHPs which offer a more limited set of Essential Health Benefits (EHBs) in order to provide residents with expanded access to affordable health care coverage options. Eligible non-QHPs must be in the same risk pool, maintain protections for those with pre-existing condition, and may not medically underwrite in order to be eligible for state subsidies.

- **State Subsidies** – The State will develop state subsidy policies, processes, and infrastructure to support administration, including technology solutions. Subsidies will be available for individuals selecting metal level QHPs and Eligible non-QHPs. Starting in PY 2022, the first year of the Georgia Access Model, the State will implement a subsidy structure for both QHPs and Eligible non-QHPs that is the same as the federal subsidy structure for individuals between 100% and 400% of the FPL.

  The State will supplement federal pass through dollars in order to provide assistance to more eligible consumers than are currently purchasing coverage on the FFE. However, the State will implement a program budget cap to ensure responsible financial stewardship regarding State funds. The State's total 1332 program cap is projected to be $255 million in

state funds for PY 2022 and will be adjusted on an annual basis in subsequent years. The funding cap will cover state funding for both the reinsurance program and state subsidies under Georgia Access. The State is projecting an enrollment increase of approximately 30,000 individuals under the new model for FY 2022.

Alignment with Principles

The Georgia Access Model aligns with and advances the principles discussed in CMS' 2018 Guidance, as described below:

- **Increased Access to Affordable Private Market Coverage**: By enabling diverse plan types to be offered side-by-side with QHPs and Catastrophic Plans, consumers will be able to view the full range of options available to them within the State and select the plan that best suits their needs and price point. The goal is to increase healthcare coverage options across the State, without eroding the QHP market to provided consumers expanded options.

- **Encourage Sustainable Spending Growth**: Georgia's innovative Georgia Access Model promotes sustainable spending growth by infusing the system with market competition to drive more cost-effective health coverage and ultimately reduce federal spending commitments. By engaging the private sector to deliver front-end services the State anticipates that Georgians will receive more direct and meaningful services at a lower cost.

- **Foster State Innovation**: The Georgia Access Model aligns market incentives as private entities are responsible for, and motivated to perform, effective and efficient customer outreach, education, and enrollment. This model will foster innovation for consumer enrollment and the types of health plans that carriers offer (e.g., Eligible non-QHPs).

- **Promote Consumer-Driven Healthcare**: The innovative Georgia Access Model reimagines the marketplace experience, placing the consumer at the center. The Georgia Access Model creates a no wrong door approach by allowing the consumer to purchase plans on the open market that best meet their needs while also receiving state subsidies. Vendors across the ecosystem –from web-brokers to carriers—are encouraged to participate in the market and are incentivized to tailor their outreach and communication efforts to meet the unique needs of the customers. Local brokers may discuss plan options with residents, and if asked, help navigate web broker or plan websites. This model creates a competitive environment based on the consumer experience—fostering growth and innovation in the private market to increase consumer tools, information, and customer service to help individuals in their healthcare coverage journey.

Locations to Access Copies of Public Notice and Waiver Application

This public notice and the state relief and empowerment application are available on the Office of Governor Brian P. Kemp's website, at https://gov.georgia.gov/ as well as the Department of Community Health's website, at https://medicaid.georgia.gov/patientsfirst.

Public Hearings and Public Input Procedure

Six opportunities for in-person public comment will be held where oral comments will be received. The hearings are as follows:

- **Savannah, Georgia**
  Thursday, November 7, 2019, 1:00 p.m. EST
  Mercer School of Medicine – Savannah Campus
  Hoskins Center for Biomedical Research *(corner of 66th and Ranger Street)*
  1250 East 66th Street, Savannah, GA 31404

- **Macon, Georgia**
  Wednesday, November 13, 2019, 1:00 p.m. EST
  Mercer University School of Medicine – Macon Campus
  Mercer Auditorium
  1550 College Street, Macon GA 31207

- **Bainbridge, Georgia**
  Thursday, November 14, 2019, 1:00 p.m. EST
  Southern Regional Technical College
  The Charles H. Kirbo Regional Center, Dining Room 112
  2500 East Shotwell Street, Bainbridge, Georgia 39819

- **Gainesville, Georgia**
  Monday, November 18, 2019, 1:00 p.m. EST
  Gainesville Civic Center, Chattahoochee Room
  830 Green Street, N.E., Gainesville, Georgia 30501

- **Rome, Georgia**
  Thursday, November 21, 2019, 1:00 p.m. EST
  West-Rome Baptist Church, The Well Building
  914 Shorter Avenue, Rome, Georgia 30165

- **Kennesaw, Georgia**
  Friday, November 22, 2019, 2:00 p.m. EST
  North Cobb Regional Library, Multi-Purpose Room
  3535 Old 41 HWY, Kennesaw, Georgia 30144

Individuals or groups with disabilities, who require special accommodations, including auxiliary communicative aids and services during these meetings should notify Matthew Krull at Matthew.Krull@dch.ga.gov or (404) 651-5016 no later than 24 hours ahead of the scheduled public hearing to ensure any necessary accommodation can be provided.

Individuals wishing to provide written comments on or before **December 3, 2019** may submit comments through an online webform located at: https://medicaid.georgia.gov/patientsfirst or to Ryan Loke, c/o The Office of the Governor at the following address, 206 Washington Street, Suite 115, State Capitol, Atlanta, Georgia 30334. Comment letters must be postmarked by **December 3, 2019** to be accepted.

NOTICE IS HEREBY GIVEN THIS 4TH DAY OF NOVEMBER 2019
Brian P. Kemp, Governor

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Brian P. Kemp, Governor **Frank W. Berry, Commissioner**

2 Peachtree Street, NW | Atlanta, GA 30303-3159 | 404-656-4507 | www.dch.georgia.gov

Patients First Act Stakeholder Advisory Council

- Office of Governor Brian P. Kemp, Ryan Loke
- Georgia Department of Community Health, Blake Fulenwider
- Georgia Department of Community Health
- Governor's Office of Planning and Budget
- Georgia Department of Behavioral Health and Developmental Disabilities
- Senator Blake Tillery
- Senator Ben Watson
- Senator Freddie Powell Sims
- Senator Dean Burke
- Representative Jodi Lott
- Representative Sharon Cooper
- Representative Matt Hatchett
- Representative Patty Bentley
- Representative Mack Jackson
- Representative Butch Parrish
- Office of Insurance and Safety Fire Commissioner
- Medical College of Georgia - Augusta University
- Mercer University School of Medicine
- Grady Memorial Hospital
- Children's Healthcare of Atlanta
- Piedmont Hospital
- Wellstar Health System
- Hospital Corporation of America
- Miller County Hospital
- HomeTown Health
- Medical Association of Georgia
- GA Academy of Family Physicians
- American Academy of Pediatrics, Georgia Chapter
- American College of Physicians - Georgia Chapter
- Georgia Pharmacy Association
- Georgia Council on Substance Abuse
- Viewpoint Health
- Georgia Primary Care Association

- Georgia Association of Community Service Boards
- Georgia Health Care Association
- Georgia Quality Health Plans Association
- Amerigroup Georgia
- CareSource Georgia
- Peach State Health Plan
- WellCare of Georgia
- Anthem Blue Cross Blue Shield of Georgia
- Alliant Health Plans
- Ambetter Health Plans
- Kaiser Health Plans
- Georgians for a Healthy Future
- Voices for Georgia's Children
- Georgia Public Policy Foundation
- Georgia State Health Law Clinic
- United Way

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Georgia Waiver Project

Stakeholder Meeting

November 4, 2019

1:00 PM

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Mission:

The mission of the Department of Community Health is to provide access to affordable, quality health care to Georgians through effective planning, purchasing, and oversight.

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

1115 and 1332 Waiver Background Information

Patients First Act

Background

- Signed **March 27, 2019**
- Grants the Department of Community Health (DCH) authority to submit a Section 1115 waiver to the Centers for Medicare & Medicaid Services (CMS)
- 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

- 1115 waiver must be submitted on or before **June 30, 2020**
- Allows increase in Medicaid eligibility to **max of 100% of Federal Poverty Level (FPL)**
- Grants **authority to implement** the 1115 waiver without further legislation
- 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**

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Source: Georgia General Assembly 2019-2020 SB 106

Purpose of 1115 Waivers

Purpose of the Demonstration Waivers

- Section 1115 of the Social Security Act grants the HHS Secretary authority to approve state waivers to **implement demonstration projects that test different approaches** promoting the objectives of the Medicaid program

Waiver Considerations for CMS Approval

- Waivers must be **budget neutral** for the federal government
- Waivers are typically approved for **five years** and often renewed
- **Revised approval criteria in 2017** grants increased flexibility

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Source: Information from Medicaid.gov About Section 1115 Demonstrations

Revised 1115 Approval Criteria

Revised CMS Waiver Approval Criteria (November 2017)

- **Improve access to high-quality, person-centered services** that produce positive health outcomes for individuals
- **Promote efficiencies** that ensure Medicaid's sustainability over the long-term
- **Support coordinated strategies** to address certain health determinants that promote upward mobility, greater independence, and improved quality of life
- **Strengthen beneficiary engagement** in their personal healthcare plan, including incentive structures that promote responsible decision-making
- **Enhance alignment** between Medicaid policies and commercial health insurance products to facilitate smoother beneficiary transition
- **Advance innovative delivery system and payment models** to strengthen provider network capacity and drive greater value for Medicaid

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Source: Information from Medicaid.gov About Section 1115 Demonstrations

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

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Source: Information from CCIIO Section 1332: State Innovation Waivers, Kaiser Family Foundation Tracking Section 1332 Waivers, CMS and Treasury Guidance October 2018

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 through December 3, 2019

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Overview of Draft 1115 Waiver Application

Goals of Georgia's 1115 Waiver

Improve access, affordability, and quality of healthcare in Georgia with strategies to:

- **Improve the health of low-income Georgians** by increasing access to affordable healthcare coverage by encouraging work and other employment-related activities
- Reduce the number of **uninsured Georgians**
- Promote member transition to **commercial health insurance**
- **Empower Georgia Pathways participants** to be active participants and consumers of their healthcare
- Support newly eligible member enrollment in **employer sponsored insurance**
- Increase the number of persons who become **employed**
- **Increase wage growth** for those who are employed
- Ensure the **long-term, fiscal sustainability** of the Medicaid program

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

1115 Waiver Design

Key Features of the Program

Provides **new pathways to Medicaid coverage** for Georgians who are not eligible for Medicaid today

Introduces elements of commercial health insurance, helping members with the eventual transition to that market

Provides premium assistance for eligible individuals with access to employer sponsored health insurance

New pathways begin July 1, 2021

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

New Pathways to Coverage

Georgia residents will now have a pathway to Medicaid coverage if they meet the following criteria:

- **Not currently eligible** for Medicaid in Georgia
- Ages **19 to 64**
- Income is **< 100% FPL**
- Working at least **80 hours / month** or engaged in another qualifying activity
- **American citizen** or documented, qualified alien

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

New Pathways to Coverage

Qualifying Activities

- ✓ Unsubsidized employment
- ✓ Subsidized private sector employment
- ✓ Subsidized public sector employment
- ✓ On-the-job training
- ✓ Job readiness
- ✓ Community Service
- ✓ Vocational educational training
- ✓ Full-time enrollment in an institution of higher education

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Elements of Commercial Health Insurance

Members 50 – 100% FPL will have Premiums, Copays, and Rewards Accounts

Premiums

- Monthly premium payments are **based on income**

Copayments

- Copayment amounts **mirror the existing State Plan** (with the addition of a copay for non-emergent visits to the Emergency Department)

Member Rewards Account

- Members **earn points** by engaging in **healthy behaviors**
- Rewards Accounts can be used to purchase items such as **over the counter drugs**, **dental services**, **glasses**, and **contacts,** as well as pay **copayments**

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Employer Sponsored Insurance

Employer Sponsored Insurance (ESI)

- Georgia currently operates a voluntary **Health Insurance Premium Payment (HIPP) program** under the State Plan
- If an eligible individual gaining Medicaid coverage through Georgia Pathways has access to ESI, the **State will assess if it is more cost-effective** to enroll in Medicaid or pay the individual's portion of the ESI premium and other cost-sharing obligations
- If it is more cost-effective, the individual will be required to **enroll in their ESI plan instead of Medicaid**
- **Medicaid will reimburse the individual's portion** of the ESI premium

Overview of Section 1332 Draft Waiver

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?

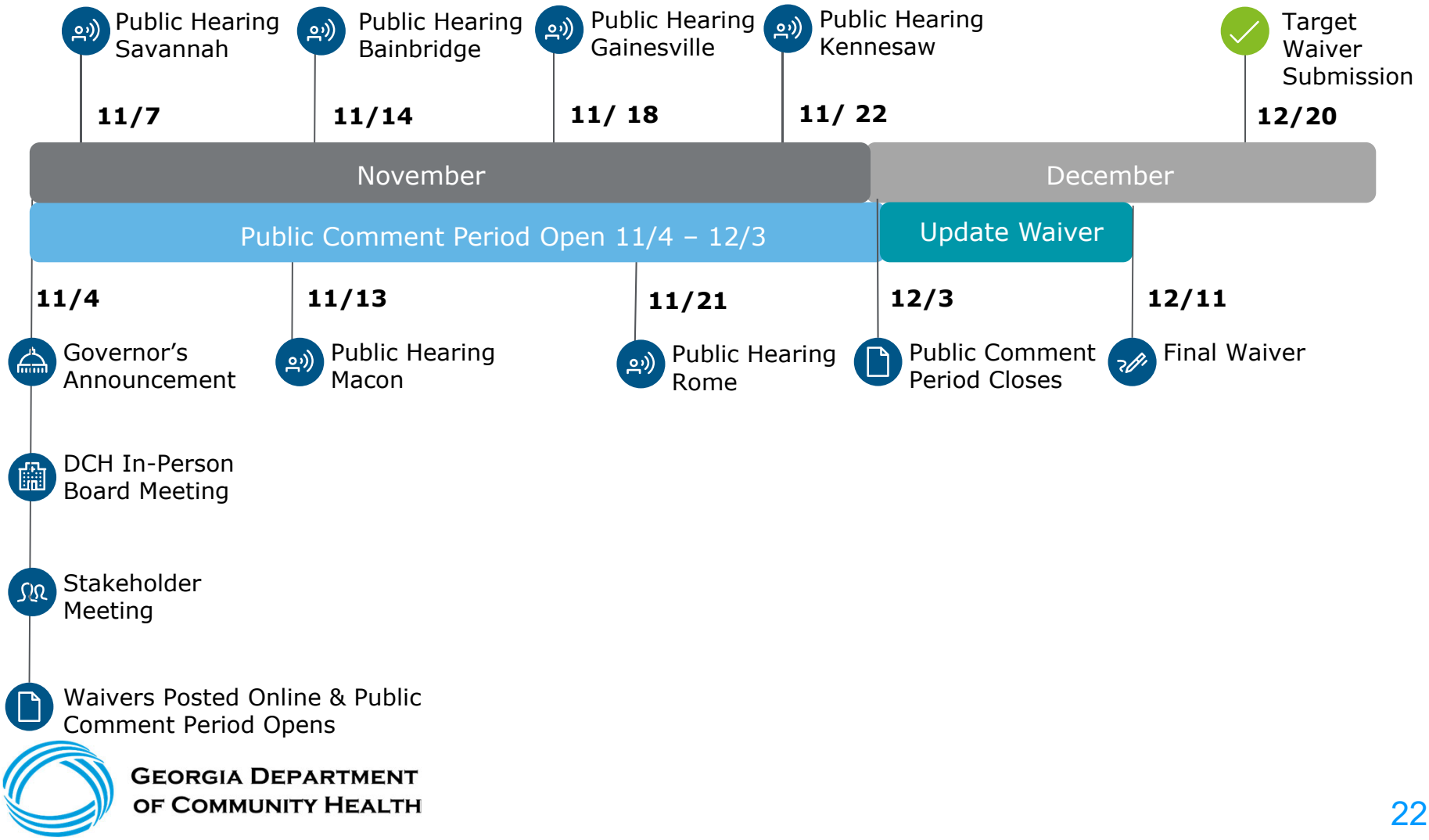
- Access to **current QHP and High-Deductible Plan** options
- **Protections** for individuals with pre-existing conditions
- **Subsidies** to support affordability (mirrors federal structure for 2022)

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**

Public Comment Period

Public Comment Process



GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Public Comment Submission

Submit comments through December 3, 2019 **online** at:

https://medicaid.georgia.gov/patientsfirst

Submit comments **by mail** to:

For 1115:
Lavinia Luca
c/o Board of Community Health
Post Office Box 1966
Atlanta, Georgia 30301-1966

For 1332:
Ryan Loke
c/o The Office of the Governor
206 Washington Street
Suite 203, State Capitol
Atlanta, Georgia 30334

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Purpose:

Shaping the future of A Healthy Georgia by improving access and ensuring quality to strengthen the communities we serve.

Georgia Section 1332 Draft Waiver

(Location)
Public Hearing

(Date)

(Time)

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

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Source: Georgia General Assembly 2019-2020 SB 106

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Draft Section 1332 Waiver Application

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Open for Comment

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