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Dear Governor Kemp,

Mental Health America of Georgia (MHA of GA) would like to thank you for the opportunity to comment on Georgia's proposal to waive federal rules under the Affordable Care Act (ACA) and the Medicaid program. We are writing to express our concern that the 1332 waiver would raise premiums for insurance coverage, impacting lower-income Georgians especially in rural communities, communities of color and more importantly individuals with behavioral health challenges. Under the 1115 waiver, there are a significant amount of barriers in obtaining and maintaining insurance coverage for Georgians most vulnerable populations.

MHA of GA is a non-profit organization dedicated to enhancing the mental health and wellness of Georgians through education, outreach and advocacy. MHA of GA believes that people have a right to recovery-oriented services and mental health systems that allows people to thrive in their communities. We advocate for better models of service through the pursuit of a thoughtful legislative and legal advocacy agenda that includes fighting for basic rights that are often at risk for individuals with a mental health condition. We advocate to advance health equity, improve quality, and help eliminate health care disparities.

The 1332 Waiver Will Raise Costs and Insure Fewer People

The 1332 waiver introduces complex changes to the policies governing the financial assistance people receive to purchase health coverage under the ACA. Under the waiver, the state would allow tax credits to be used to purchase substandard health plans that exclude coverage for essential health benefits, such as prescription drugs, maternity care, or mental health and substance abuse care. A mental health crisis can occur at any time and the impact of the opioid crisis can leave many Georgians at risk of premature death without access behavioral health care. One in four adults experience a mental illness at some point in their lifetime. In Georgia, suicide is the 10th leading cause of death. Without access to affordable and comprehensive health insurance, individuals would be susceptible to out of pocket cost increasing financial hardships.

The 1332 waiver allows changes to policies establishing where and how consumers purchase health coverage that will undermine consumer protections in the ACA. Georgia would privatize functions of the marketplace by removing the state from the federally facilitated exchange platform (HealthCare.gov) without creating their own exchange. Instead, consumers would enroll in coverage only through private web brokers and insurers, exposing them to the same risks posed by direct enrollment in the ACA.

Direct enrollment entities already have a track record of steering consumers towards substandard plans that leave them exposed to catastrophic costs if they get sick, failing to alert consumers of Medicaid eligibility, and not allowing meaningful plan comparisons.

It is also important to note that health plans inequitable coverage of mental health and addiction has profound economic costs that are eventually paid by taxpayers. Mental health conditions are the leading cause of disability in the United States. Depression alone costs our economy \$210 billion a year. Furthermore, when individuals cannot get needed coverage for mental health and addiction care, they frequently lose their jobs, and families often deplete savings and mortgage homes in a desperate attempt to pay for treatment out of pocket, with the end result that individuals end up on Medicaid.

This 1332 waiver proposal fails to meet one of the statutory “guardrails” required to ensure that people who live in states that implement an ACA waiver are not worse off than they would be without the waiver. Section 1332(b)(1) of the ACA requires that ACA waivers cover as many people, with coverage as affordable and comprehensive, as without the waiver. However, under the proposed waiver, the coverage that many Georgians would have would be less comprehensive, and more people would find themselves with less affordable coverage and out-of-pocket costs than would be the case without the waiver. Additionally, Georgia may see a reduction, rather than an increase, in coverage under the 1332 waiver.

Notably, the waiver also includes a proposal to establish a reinsurance program. Similar programs have been successfully implemented in other states, reducing premiums for unsubsidized consumers. Georgia could move forward with this proposal while dropping the harmful components of the waiver.

The 1115 Waiver Will Prevent Vulnerable People from Accessing Coverage

The 1115 waiver would extend Medicaid coverage to residents with earnings below the poverty line only if they meet a burdensome work requirement and pay premiums. There would be no exceptions to the work requirement, meaning people who cannot work due to a disability, serious illness, or caregiving responsibilities could not get coverage. While the state estimates over 408,000 non-elderly uninsured adult Georgians with incomes below the poverty line are uninsured, Georgia projects that only about 50,000 will eventually enroll in Medicaid through the waiver, due to its burdensome requirements. Inadequate mental health and addiction coverage is also tied to our State’s crisis of homelessness with at least one-quarter of people experiencing homelessness on any given night in the United States suffer from a serious mental illness.

Individuals with severe and persistent mental illness are in and out of institutions including hospitals, jails and prisons are at higher risk of paying out of pocket cost or taxpayers pay for the beds of individuals unable to meet the requirements outlined in the Medicaid waiver. Imposing burdensome premiums on low-income people and conditioning Medicaid eligibility on payment of those premiums will likely result in many people becoming uninsured. Studies clearly demonstrate that imposing relatively small premiums and cost sharing on low-income individuals can cause them to become uninsured, leading to unmet health needs—like increased mental crises or chronic health conditions that exacerbates stress levels leading to mental illnesses.

Expanding Medicaid Would Insure More People at the Same or Lower Cost

Combined, the state estimates that it will spend about \$322 million – or about \$215 million excluding costs covered by user fees – to extend coverage to just under 80,000 Georgians under the 1332 and 1115 waivers. Instead of pursuing these two harmful waivers, Georgia could accept the ACA’s Medicaid expansion and allow all residents earning under 138% of the federal poverty line to qualify for Medicaid coverage. Doing so would extend coverage to between 487,000 and 598,000 residents at a net state cost of \$188 million to \$213 million, according to state estimates.^{1,2}

In addition to its far greater benefits for low-income Georgians, Medicaid expansion would also do more to reduce uncompensated care. States that expanded Medicaid saw larger coverage gains and a decrease in uncompensated care costs of 55 percent on average, compared to a decline of only 18 percent in states that did not expand Medicaid.³ This experience serves as a critical lesson for Georgia, where seven rural hospitals have closed since 2010.⁴ Upon the waivers’ release, stakeholders warned that the proposals would fall short in addressing the problem of uncompensated care. The 1115 waiver “does not significantly move the needle for the rural and safety net hospitals who care for the state’s uninsured patients,” according to the Georgia Hospital Association.⁵

Georgia has the opportunity to expand coverage to hundreds of thousands of people that would result in significant benefits to the state’s residents, including fewer premature deaths and improved access to care and financial security for people gaining coverage.^{6,7} It should do so, rather than upending the state’s insurance market at great risk to consumers.

Sincerely,



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¹ Kyle Hayes, “Georgia Waivers: At Least as Costly to Cover Far Fewer People Than Medicaid Expansion,” Center on Budget and Policy Priorities, November 14, 2019, <https://www.cbpp.org/blog/georgia-waivers-at-least-as-costly-to-cover-far-fewer-people-than-medicaid-expansion>

² Laura Harker, “State Health Care Proposals Fall Short and Undermine Comprehensive Health Plans,” Georgia Budget and Policy Institute, November 11, 2019, <https://gbpi.org/2019/georgia-health-care-proposals-fall-short-undermine-comprehensive-health-plans/>

³ Matt Broaddus, “ACA Medicaid Expansion Drove Large Drop in Uncompensated Care,” Center on Budget and Policy Priorities, November 6, 2019, <https://www.cbpp.org/blog/aca-medicaid-expansion-drove-large-drop-in-uncompensated-care>

⁴ Georgia Department of Community Health Waiver Project, “Georgia Environmental Scan Report,” July 8, 2019, <https://medicaid.georgia.gov/document/publication/georgia-environmental-scan-report-posted-71819/download>

⁵ Jim Galloway et al, “The Jolt: The quandary an impeachment trial poses for Johnny Isakson – or his replacement,” *Atlanta Journal-Constitution*, November 5, 2019, <https://www.ajc.com/blog/politics/the-jolt-the-quandary-impeachment-trial-poses-for-johnny-isakson-his-replacement/sNlwCchpsBAhwWMeLKy2aM/>

⁶ Matt Broaddus and Aviva Aron-Dine, “Medicaid Expansion Has Saved at Least 19,000 Lives, New Research Finds,” Center on Budget and Policy Priorities, November 6, 2019, <https://www.cbpp.org/research/health/medicaid-expansion-has-saved-at-least-19000-lives-new-research-finds>

⁷ Center on Budget and Policy Priorities, “Chart Book: The Far-Reaching Benefits of the Affordable Care Act’s Medicaid Expansion,” Updated November 6, 2019, <https://www.cbpp.org/research/health/chart-book-the-far-reaching-benefits-of-the-affordable-care-acts-medicaid>