Georgia Waiver Project

Stakeholder Meeting

Georgia Department of Community Health

November 4, 2019
1:00 PM
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.
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**
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

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

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

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
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
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
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
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
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**
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
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

- Governor’s Announcement
- DCH In-Person Board Meeting
- Stakeholder Meeting
- Waivers Posted Online & Public Comment Period Opens

November
- Public Hearing Savannah: 11/7
- Public Hearing Bainbridge: 11/14
- Public Hearing Gainesville: 11/18
- Public Hearing Kennesaw: 11/22

Public Comment Period Open 11/4 – 12/3

December
- Update Waiver: 12/3
- Public Comment Period Closes: 12/20
- Final Waiver: 12/11

Target Waiver Submission: 12/20
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 115, State Capitol
Atlanta, Georgia 30334
Purpose:

Shaping the future of A Healthy Georgia by improving access and ensuring quality to strengthen the communities we serve.