



# Georgia Medicaid Waiver Project



## Stakeholder Kickoff Meeting

July 18, 2019  
10:30AM - 12:00PM



## **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.

# Agenda

Topic	Speaker	Time
Introduction	Ryan Loke	10:30 – 10:45
Overview of the Waiver Project	Lauren Powalisz	10:45 – 10:55
Introduction to 1115 and 1332 Waivers	Jim Hardy	10:55 – 11:15
Overview of Environmental Scan	Jeff Burke	11:15 – 11:35
Open Discussion	Ryan Loke	11:35 – 12:00





# Role of the Advisory Group

The role of the Advisory Group is to help inform Georgia's 1115 and 1332 waiver options for consideration by Governor Kemp

# 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**





# Overview of the Waiver Project

# Project Overview

**Background:** The State is seeking new, innovative solutions to address the State's healthcare challenges by leveraging 1115 and 1332 waiver authority

**Project Purpose:**

1. Assist with evaluating the national and Georgia-specific healthcare insurance environment
2. Identify opportunities for the State to leverage Section 1115 and 1332 waivers for consideration by the Governor
3. Draft and prepare waiver applications

**Team Experience:** More than twenty Section 1115 and/or 1332 waivers

**Our Approach:** Provide support and technical assistance to the State throughout the project

**Project Timeline:** June 2019 – December 2019



# Project Phases

## Phase 1: Environmental Scan

## Phase 2: Waiver Options Development

## Phase 3: Waiver Development

CMS Communication/Collaboration

Stakeholder Engagement

### Key Activities

- |   |  |   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Conduct national scan:             <ul style="list-style-type: none"> <li>○ 1115/1332 waivers</li> <li>○ Federal guidance</li> <li>○ National healthcare trends</li> </ul> </li> <li>• Summarize key challenges facing Georgia healthcare landscape</li> </ul> | <ul style="list-style-type: none"> <li>• Develop vision, priorities, and goals</li> <li>• Develop and refine options</li> <li>• Analyze options</li> <li>• Determine waiver authority needed</li> <li>• Conduct decision-making prioritization</li> <li>• Initiate waiver development</li> </ul> | <ul style="list-style-type: none"> <li>• Develop waiver designs</li> <li>• Identify &amp; address requirements</li> <li>• Conduct budget neutrality analysis for 1115</li> <li>• Conduct deficit and coverage analysis for 1332</li> <li>• Draft waiver applications</li> <li>• Facilitate public notice</li> <li>• Submit waivers</li> </ul> |
|---|--|---|

**Phase Ends** July 2019

September 2019

December 2019







# Introduction to 1115 and 1332 Waivers

# Overview of 1115 Waivers

## Purpose

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

## Waiver Considerations

- Waivers must be budget neutral
- Waivers have traditionally been approved for five years and are often renewed
- CMS issued revised approval criteria in 2017 granting increased flexibility



# 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



# How States Have Used 1115 Waivers

## Waivers Vary in Scope

- Small, targeted changes for specific groups (e.g., Georgia's Planning for Healthy Babies)
- Broad changes to a state's Medicaid program

## How States Have Recently Leveraged 1115 Waivers

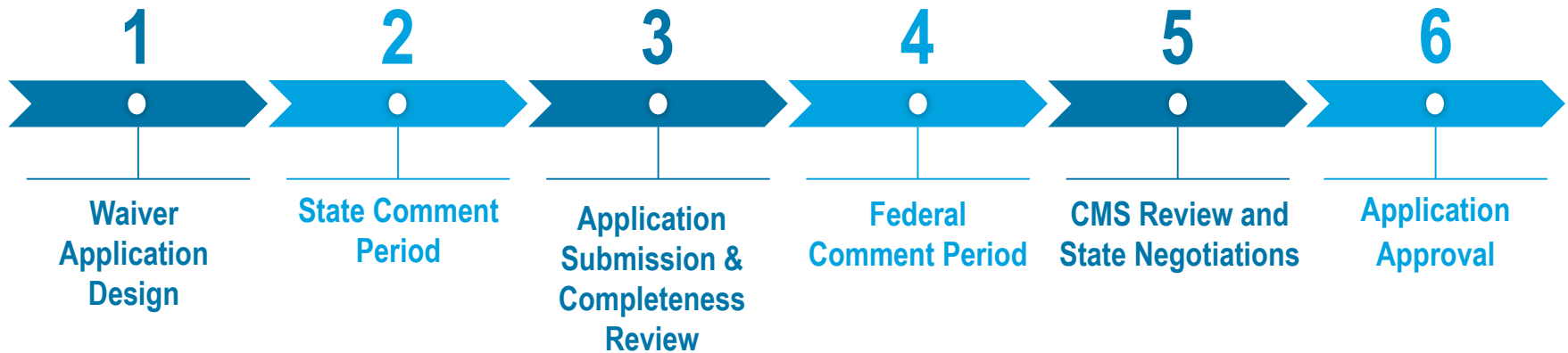
- Increase the New Adult Group eligibility levels to 100% or 138% FPL
- Introduce community engagement and work requirements
- Introduce private insurance concepts (e.g., health savings accounts, co-pays, etc.)
- Combat the opioid epidemic
- Introduce tools to address social determinants of health

## National Landscape

- Approximately 50 approved 1115 waivers across 40 states



# 1115 Waiver Application Process



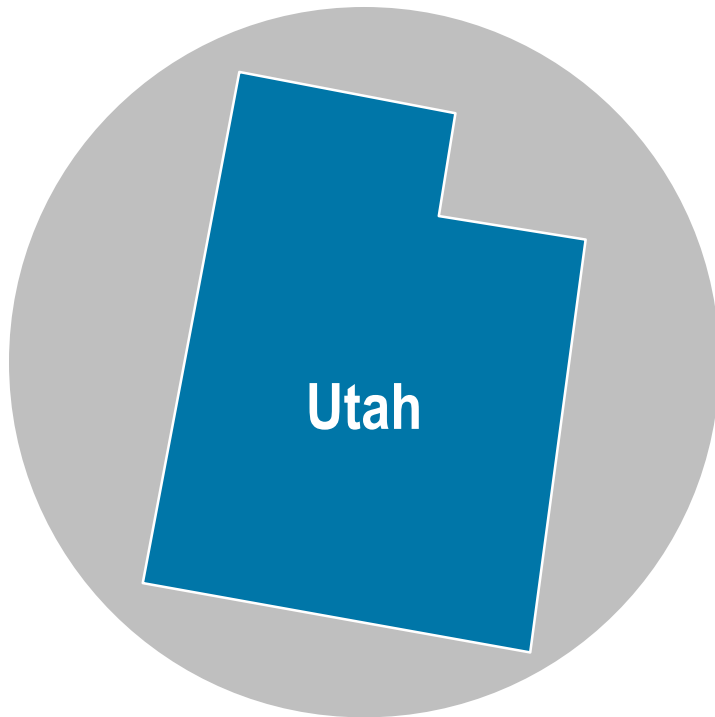
**State Comment Period:** 30-day state comment period and public hearings on draft waivers

**Application Submission:** CMS will determine if the application is complete within 15 days

**Federal Comment Period:** 30-day federal comment period required prior to CMS review



# Example of an 1115 Waiver



Submitted: **June 2018**

Approved: **April 2019**

## Notable Attributes

- First state approved to increase Medicaid coverage for the New Adult Group to 100% FPL post-Affordable Care Act (ACA)
- Received traditional federal match for the New Adult Group (approximately 70%)
- Introduced work and community engagement requirements for the New Adult Group

## Pending Amendments

- New draft seeks enhanced federal match for the New Adult Group along ACA schedule (90% starting in calendar year 2020)
- Seeks per capita cap funding for program



# Overview of 1332 Waivers

## Background:

- Permits states the ability to waive parts of ACA to **pursue innovative strategies** for providing residents with **access to high-quality, affordable health insurance**
- In 2018, renamed from State Innovation Waivers to **State Relief & Empowerment Waivers**

## National Landscape:

- 8 states approved, 2 states pending, 5 states with draft waivers
- **7 of the approved waivers** have been for **reinsurance**

## Statutory Guardrails:

1. **Comprehensiveness**: Coverage at least as comprehensive as provided absent the waiver
2. **Affordability**: Cost-sharing protections against excessive out of pocket spending at least as affordable as absent the waiver
3. **Coverage**: Healthcare coverage to a comparable number of residents as absent the waiver
4. **Deficit Neutrality**: Projected net federal spending must not increase the federal deficit



# New 1332 Flexibilities & Guidance

## State Flexibilities:

- States have **increased flexibility** on how to meet the four statutory guardrails and can shape programs that better meet resident needs
- CMS has **greater ability to accommodate state changes** made with 1332 waivers for states using the federal platform
- States may use waivers to **implement solutions to common marketplace problems**

## CMS Guiding Principles for Waivers (Issued October 2018)

1. Provide **increased access** to affordable market coverage
2. Encourage **sustainable spending growth**
3. Foster state **innovation**
4. **Support and empower** those in need
5. Promote **consumer-driven healthcare**





# Examples of State 1332 Flexibilities

## Risk Stabilization Strategies

Address the costs of individuals with expensive medical conditions to mitigate the impact of those expenses on people who purchase coverage in the individual market

## Account Based Subsidies

Direct public subsidies into a defined-contribution, consumer-directed account that an individual uses to pay health insurance premiums or other health care expenses

## State-Specific Premium Assistance

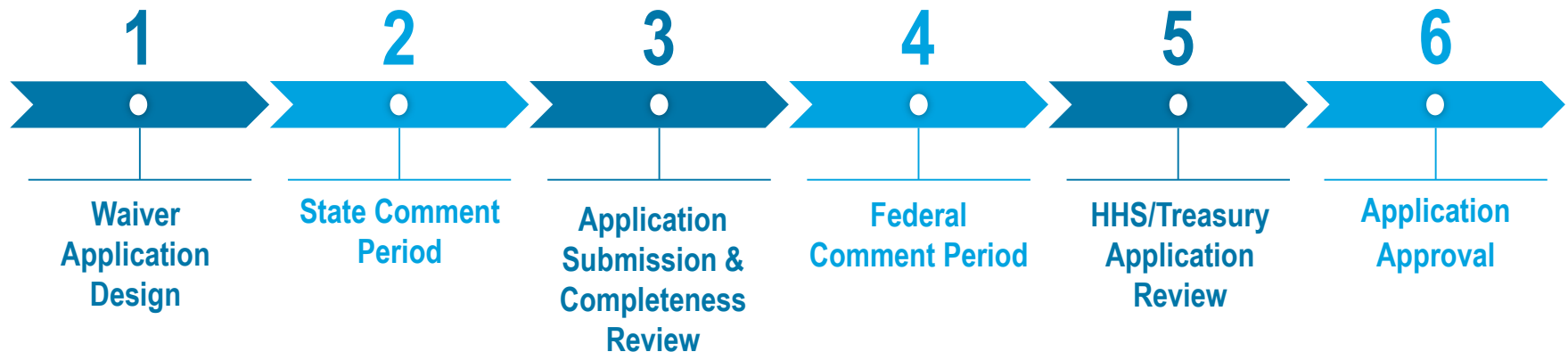
Options to create and implement a new state subsidy structure that changes the distribution of subsidy funds compared to the current premium tax credit structure

## Adjusted Plan Options

Provide state financial assistance for non-Qualified Health Plans or expand the availability of catastrophic plans beyond the current eligibility limitations



# 1332 Waiver Application Process



**State Comment Period:** 30-day state comment period and public hearings on draft waivers

**Application Submission:** HHS will determine if the application is complete within 45 days

**Federal Comment Period:** 30-day federal comment period

**Application Review:** Final decision from HHS/Treasury will be issued within 180 days



# Example of a 1332 Waiver



Submitted: **April 2018**

Approved: **July 2018** (implemented 2019)

## Notable Attributes

- Provides federal pass-through funding to partially finance a state reinsurance program
- Seeks to bring certainty and stability to the individual marketplace
- Premiums projected to be 11% lower in 2019
- Enrollment projected to increase by 1% in 2019





# Overview of Environmental Scan

# Purpose of the Environmental Scan

**Goal:** The purpose of the environmental scan is to understand national trends and the challenges currently facing the Georgia healthcare coverage landscape

## National Scan

1. **Purpose:** To review the landscape of 1115 waivers, 1332 waivers, and national trends
2. **Methodology:** Compiled information from publicly available data and reports

## Georgia Scan

1. **Purpose:** To assess Georgia's healthcare environment across insurance coverage, demographic data, and quality measures
2. **Methodology:** Compiled information primarily from publicly available data and reports; conducted analysis on state provided data

**Main Sources:** CMS, Kaiser Family Foundation; State Health Access Data Assistance Center; Census Bureau 2017 American Community Survey 5-Year Estimates; Bureau of Labor Statistics



# Employer Sponsored Insurance

## Georgia Employer Insurance Access (2017)

**41%** Employers offering ESI in Georgia  
(47% Nationally)

**82%** Employees working in establishments  
offering ESI (85% Nationally)

**77%** Employees eligible for ESI at offering  
establishments (77% Nationally)

**74%** Eligible employees enrolling in  
employer sponsored insurance  
(74% Nationally)

## Employer Insurance Average Premiums (2017)

	GA	US
<b>Average Annual Premiums</b>		
Single Coverage	\$5,849	\$6,368
Family Coverage	\$17,703	\$18,687
<b>Average Employee Share</b>		
Single Coverage	22.2%	22.2%
Family Coverage	30.9%	27.9%

Average annual premiums for single coverage in Georgia are the 4<sup>th</sup> lowest in the country for 2017.

56% of enrollees in employer sponsored insurance are in high deductible plans, placing Georgia in the middle nationally.



# Marketplace Insurance

## Georgia Marketplace Access (2019)

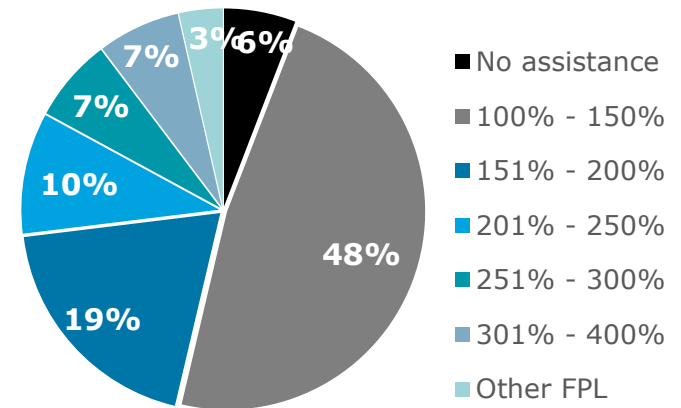
458,437 / Number of Georgians who selected a marketplace plan in 2019

5<sup>th</sup> / Georgia is the 5<sup>th</sup> highest state for volume of consumers selecting a plan on the marketplace

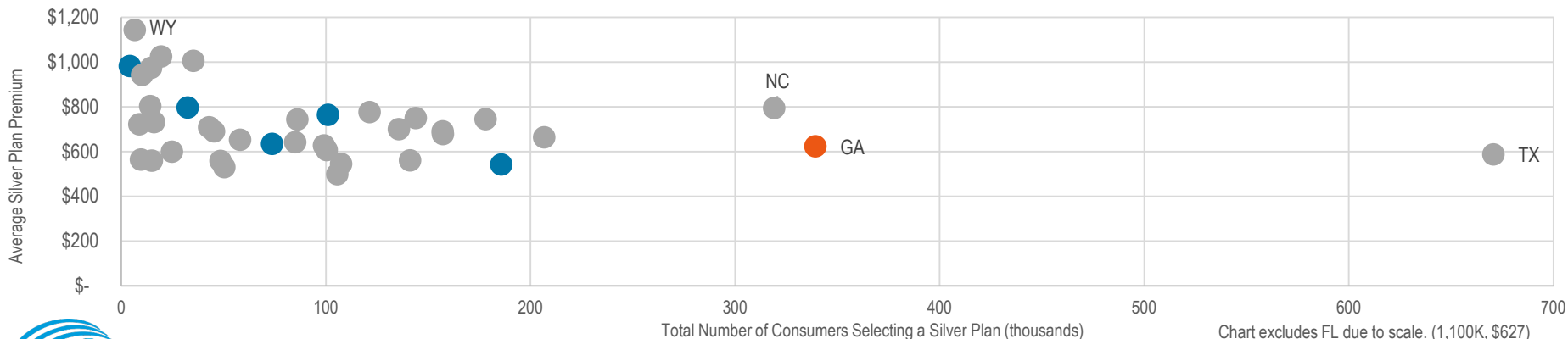
30% / Percentage of marketplace consumers are 18 to 34

27% / Estimated marketplace penetration for adults 19-64

## FPL of Consumers Selecting a Marketplace Plan in Georgia 2019



## Average Monthly Premiums, Silver Marketplace Plans 2019

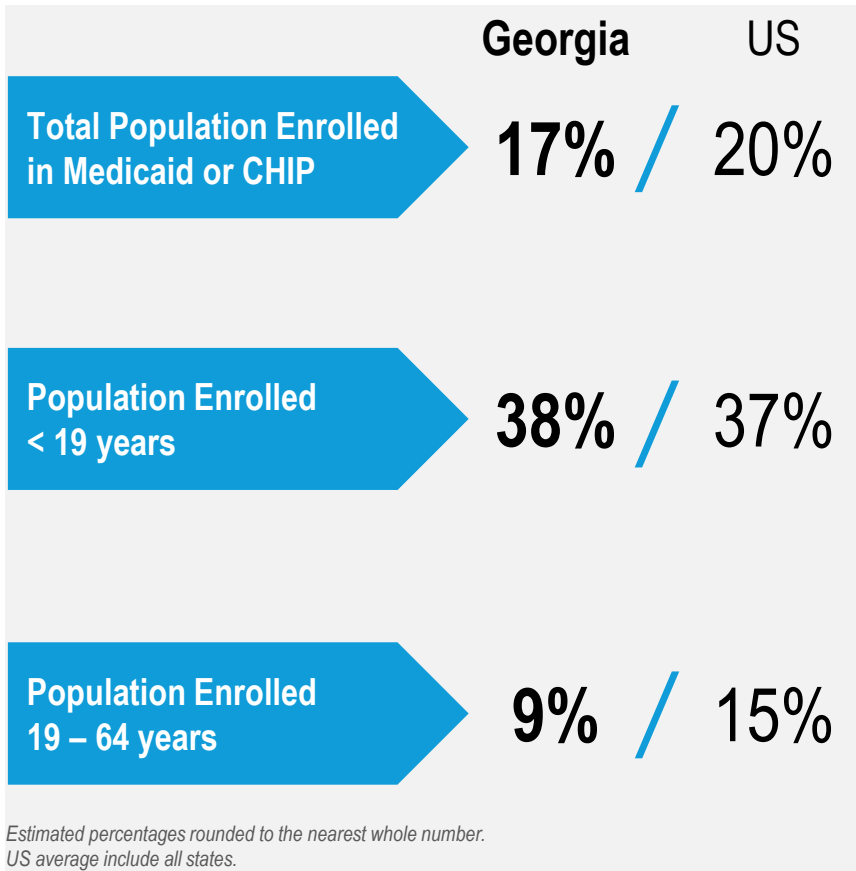


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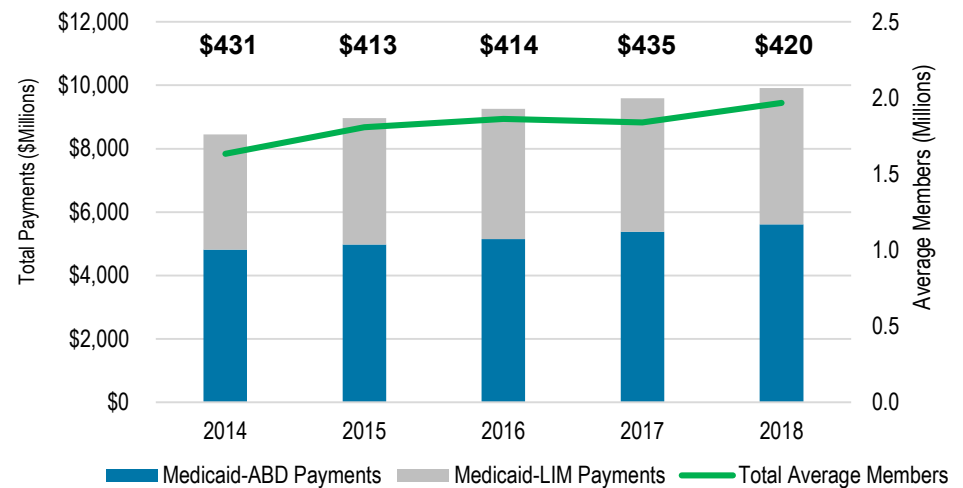
Source: Data from [CMS Marketplace Reports](#) 2017-2019 Marketplace Open Enrollment Period Public Use Files. Public use files from CMS only includes data on states using the HealthCare.gov platform. This include 37 states for 2015, 38 States in 2016, and 39 states in 2017-2019. Marketplace penetration estimated from data provided by [Kaiser Family Foundation Health Insurance Coverage of Adults 19-64 \(2017\)](#) to identify total population 19-34 subtracting population enrolled in employee provided insurance, Medicaid, and other public insurance to get the market size of adults who would purchase from the marketplace.

# Medicaid and CHIP

## Medicaid and CHIP Enrollment (2017)<sup>1</sup>



## GA Medicaid Expenditures, Members, & PMPM<sup>2</sup>



- Total Expenses for Medicaid and CHIP in Georgia for FY18 were **over \$10 Billion<sup>2</sup>**
- ABD accounted for **25% of total enrollment** and **55% of expenses** for Medicaid and CHIP in FY18<sup>2</sup>
- At **\$420 PMPM**, Georgia's Medicaid program is in the lowest 10% of states nationally<sup>3</sup>



1. Source: Information from [Kaiser Family Foundation Health Insurance Coverage \(2008 - 2017\)](#)  
 2. Source: Information taken directly from Georgia Department of Community Health Annual Reports: [FY2018](#), [FY2017](#), [FY2016](#), [FY2015](#), [FY2014](#). Total average members and PMPM represent total Medicaid values, which exclude PeachCare for Kids  
 3. Comparison for PMPM nationally is estimated by taking total Medicaid expenditures and dividing by total enrollees based on data from [Kaiser Family Foundation Medicaid Expansion Spending \(2017\)](#) and [Kaiser Family Foundation Analysis of Recent Declines in Medicaid and CHIP Enrollment \(May 2019\)](#)



# Estimated Uninsured Rates

## Total Uninsured Population

**14.8%<sub>GA</sub> / 10.5%<sub>US</sub>**  
1,481,625

### Uninsured Children (<19)

**Georgia 7.8%**  
205,153

**US 5.7%**

### Uninsured Adults (19-34)

**Georgia 26.9%**  
584,485

**US 18.7%**

### Uninsured Adults (35-64)

**Georgia 17.3%**  
679,723

**US 12.6%**



# Estimated Uninsured Rates by FPL

## Uninsured Rates by Federal Poverty Level (FPL)

Category	GA Total Population	GA Population Uninsured	GA % Uninsured	US % Uninsured
<b>Below 100% FPL</b>	1,677,953	478,117	28.5%	19.6%
<b>100% - 138% FPL</b>	768,155	188,579	24.5%	18.3%
<b>139% - 399% FPL</b>	4,177,348	649,984	15.6%	12.2%
<b>Above 399% FPL</b>	3,275,631	155,160	4.7%	3.7%

US average include all states.






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OF COMMUNITY HEALTH**

Source: Data taken from U.S. Census Bureau; [2017 American Community Survey \(ACS\) 5-Year Estimates](#). Percent Uninsured was calculated by taking total uninsured populations by each FPL level over the total population for GA and US as a whole. 100%-138% Uninsured Rates calculated by taking the data from ACS for 138% and below and subtracting the below 100% data to get the aggregate for 100% - 138% FPL.

# Quality Measures

## Rural Health Access in Georgia<sup>1</sup>

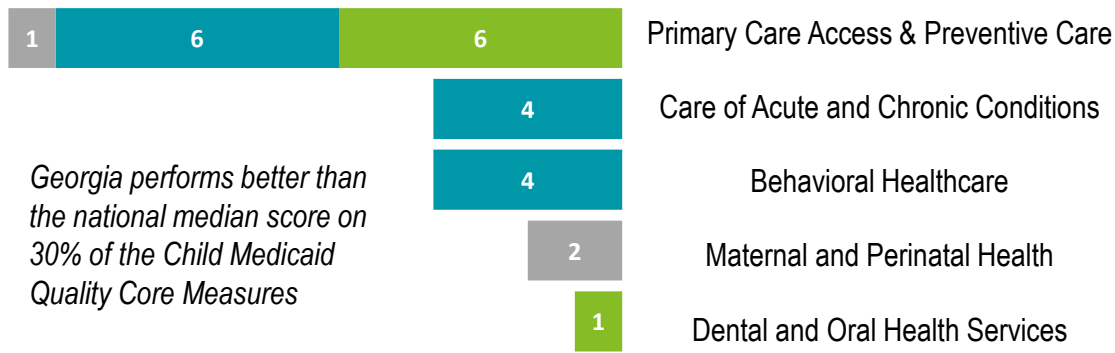
-  **7** Rural hospital closures since 2010
-  **63** Total rural hospitals
-  **26** Rural hospitals at risk of closure (41%)

## America's Health Rankings 2018

- 39<sup>th</sup>** Georgia's overall state ranking out of 50 across all measures
- 46<sup>th</sup>** Georgia's state ranking for all clinical care measures
- 32<sup>nd</sup>** Georgia's state ranking for all behavioral measures

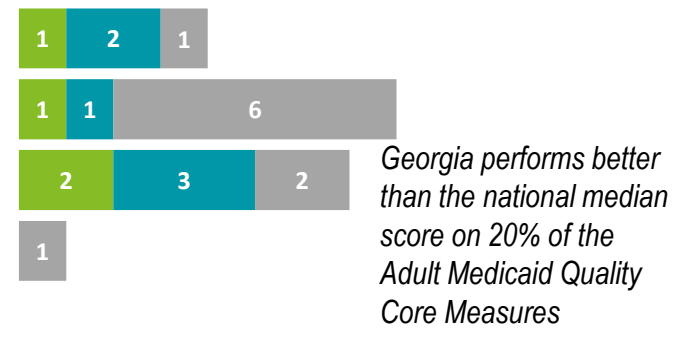
## Georgia's 2018 Medicaid Quality Scores Compared to National Median

### GA's Child Measures (24 Total Reported)



Georgia performs better than the national median score on 30% of the Child Medicaid Quality Core Measures

### GA's Adult Measures (20 Total Reported)



Georgia performs better than the national median score on 20% of the Adult Medicaid Quality Core Measures

14 12 10 8 6 4 2 0 0 2 4 6 8 10 12 14

■ Count of measures at or above median score nationally ■ Count of measures scoring between the lower quartile and median ■ Count of measures scoring below the lower quartile





# Open Discussion



Contact us at:  
**[PatientsFirstAct@dch.ga.gov](mailto:PatientsFirstAct@dch.ga.gov)**



# Purpose:

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