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.
<table>
<thead>
<tr>
<th>Topic</th>
<th>Speaker</th>
<th>Time</th>
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</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>Ryan Loke</td>
<td>10:30 – 10:45</td>
</tr>
<tr>
<td>Overview of the Waiver Project</td>
<td>Lauren Powalisz</td>
<td>10:45 – 10:55</td>
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<tr>
<td>Introduction to 1115 and 1332 Waivers</td>
<td>Jim Hardy</td>
<td>10:55 – 11:15</td>
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<tr>
<td>Overview of Environmental Scan</td>
<td>Jeff Burke</td>
<td>11:15 – 11:35</td>
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<tr>
<td>Open Discussion</td>
<td>Ryan Loke</td>
<td>11:35 – 12:00</td>
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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

<table>
<thead>
<tr>
<th>Phase 1: Environmental Scan</th>
<th>Phase 2: Waiver Options Development</th>
<th>Phase 3: Waiver Development</th>
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</thead>
<tbody>
<tr>
<td><strong>Key Activities</strong></td>
<td><strong>Stakeholder Engagement</strong></td>
<td><strong>CMS Communication/Collaboration</strong></td>
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<tr>
<td>• Conduct national scan:</td>
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<td>o 1115/1332 waivers</td>
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<td>o Federal guidance</td>
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<td>trends</td>
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<td>• Summarize key challenges</td>
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<td>facing Georgia healthcare</td>
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<td>landscape</td>
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<td>• Develop vision, priorities, and goals</td>
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<td>• Develop and refine options</td>
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<td>• Analyze options</td>
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<td>• Determine waiver authority needed</td>
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<td>• Conduct decision-making prioritization</td>
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<td>• Initiate waiver development</td>
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<td>• Develop waiver designs</td>
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<td>• Identify &amp; address requirements</td>
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<td>• Conduct budget neutrality analysis for 1115</td>
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<td>• Conduct deficit and coverage analysis for 1332</td>
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<tr>
<td>• Draft waiver applications</td>
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<td>• Facilitate public notice</td>
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<tr>
<td>• Submit waivers</td>
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| 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

Source: Information from Medicaid.gov About Section 1115 Demonstrations
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

Source: Information from Kaiser Family Foundation. Landscape of Approved vs Pending Section 1115 Waivers, July 9, 2019
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

Source: Information from the Utah Department of Health 1115 Waiver
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

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

Source: Information from CMS and Treasury Guideline October 2018 published in the Federal Register
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.

Source: Information from CMS November 2018 Discussion Paper
**1332 Waiver Application Process**

1. **Waiver Application Design**
2. **State Comment Period**
3. **Application Submission & Completeness Review**
4. **Federal Comment Period**
5. **HHS/Treasury Application Review**
6. **Application Approval**

**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

Source: Information from CMS CCIIO Section 1332: State Innovation Waivers
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

Source: Information from CMS CCIIO Section 1332: State Innovation Waivers
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
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)

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<thead>
<tr>
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<th>GA</th>
<th>US</th>
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<tbody>
<tr>
<td><strong>Average Annual Premiums</strong></td>
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<tr>
<td>Single Coverage</td>
<td>$5,849</td>
<td>$6,368</td>
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<tr>
<td>Family Coverage</td>
<td>$17,703</td>
<td>$18,687</td>
</tr>
<tr>
<td><strong>Average Employee Share</strong></td>
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<tr>
<td>Single Coverage</td>
<td>22.2%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Family Coverage</td>
<td>30.9%</td>
<td>27.9%</td>
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</table>

Average annual premiums for single coverage in Georgia are the 4th lowest in the country for 2017. 56% of enrollees in employer sponsored insurance are in high deductible plans, placing Georgia in the middle nationally.

Source: Data from State Health Access Data Assistance Center: Employer-Sponsored Health Insurance at the State Level, 2013-2017: Chartbook and State Fact Sheets
Marketplace Insurance

**Georgia Marketplace Access (2019)**

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

5th / Georgia is the 5th 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**

- No assistance: 6%
- 100% - 150%: 48%
- 151% - 200%: 19%
- 201% - 250%: 10%
- 251% - 300%: 7%
- 301% - 400%: 7%
- Other FPL: 3%

**Average Monthly Premiums, Silver Marketplace Plans 2019**

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 Enrollment (2017)¹

<table>
<thead>
<tr>
<th>Total Population Enrolled in Medicaid or CHIP</th>
<th>Georgia</th>
<th>US</th>
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<tbody>
<tr>
<td>17% / 20%</td>
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<table>
<thead>
<tr>
<th>Population Enrolled &lt; 19 years</th>
<th>Georgia</th>
<th>US</th>
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<tbody>
<tr>
<td>38% / 37%</td>
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<table>
<thead>
<tr>
<th>Population Enrolled 19 – 64 years</th>
<th>Georgia</th>
<th>US</th>
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<tbody>
<tr>
<td>9% / 15%</td>
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GA Medicaid Expenditures, Members, & PMPM²

- Total Expenses for Medicaid and CHIP in Georgia for FY18 were over $10 Billion²
- ABD accounted for 25% of total enrollment and 55% of expenses for Medicaid and CHIP in FY18²
- At $420 PMPM, Georgia’s Medicaid program is in the lowest 10% of states nationally³

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

<table>
<thead>
<tr>
<th></th>
<th>Georgia</th>
<th>US</th>
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<tbody>
<tr>
<td>Uninsured Children (&lt;19)</td>
<td>7.8%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Uninsured Adults (19-34)</td>
<td>26.9%</td>
<td>18.7%</td>
</tr>
<tr>
<td>Uninsured Adults (35-64)</td>
<td>17.3%</td>
<td>12.6%</td>
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</tbody>
</table>

**Source:** Data taken from U.S. Census Bureau; American Community Survey, 2017 American Community Survey (ACS) 5-Year Estimates. Percent Uninsured was calculated by taking total uninsured populations for each FPL level and dividing it by the total population for GA and US. 100% - 138% Uninsured Rates calculated by taking the 138% and below data estimates from ACS and subtracting the below 100% data estimates to get the aggregate for 100% - 138% FPL.
## Estimated Uninsured Rates by FPL

<table>
<thead>
<tr>
<th>Category</th>
<th>GA Total Population</th>
<th>GA Population Uninsured</th>
<th>GA % Uninsured</th>
<th>US % Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 100% FPL</td>
<td>1,677,953</td>
<td>478,117</td>
<td>28.5%</td>
<td>19.6%</td>
</tr>
<tr>
<td>100% - 138% FPL</td>
<td>768,155</td>
<td>188,579</td>
<td>24.5%</td>
<td>18.3%</td>
</tr>
<tr>
<td>139% - 399% FPL</td>
<td>4,177,348</td>
<td>649,984</td>
<td>15.6%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Above 399% FPL</td>
<td>3,275,631</td>
<td>155,160</td>
<td>4.7%</td>
<td>3.7%</td>
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</tbody>
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Source: Data taken from U.S. Census Bureau; [2017 American Community Survey (ACS) 5-Year Estimates](https://www.census.gov/). 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.

US average include all states.
Quality Measures

Rural Health Access in Georgia

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

America’s Health Rankings 2018

- Georgia’s overall state ranking out of 50 across all measures
  - 39th
- Georgia’s state ranking for all clinical care measures
  - 46th
- Georgia’s state ranking for all behavioral measures
  - 32nd

Georgia’s 2018 Medicaid Quality Scores Compared to National Median

GA’s Child Measures (24 Total Reported)

- Primary Care Access & Preventive Care
  - 1
  - 6
  - 6
  - 4
  - 4
  - 2
  - 1
  - Georgia performs better than the national median score on 30% of the Child Medicaid Quality Core Measures

GA’s Adult Measures (20 Total Reported)

- Primary Care Access & Preventive Care
  - 1
  - 2
  - 1
  - 6
  - 1
  - 1
  - 2
  - 3
  - 2
  - 1
  - Georgia performs better than the national median score on 20% of the Adult Medicaid Quality Core Measures

2. Source: Rankings from America’s Health Rankings 2018 Annual Report
3. Source: Georgia Medicaid core measure scores and national comparison from Medicaid.gov Medicaid & CHIP in Georgia
Contact us at:
PatientsFirstAct@dch.ga.gov
Purpose:

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