



GEORGIA DEPARTMENT
OF COMMUNITY HEALTH

Georgia Waiver Project



Stakeholder Meeting

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.



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**



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



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



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



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



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



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**

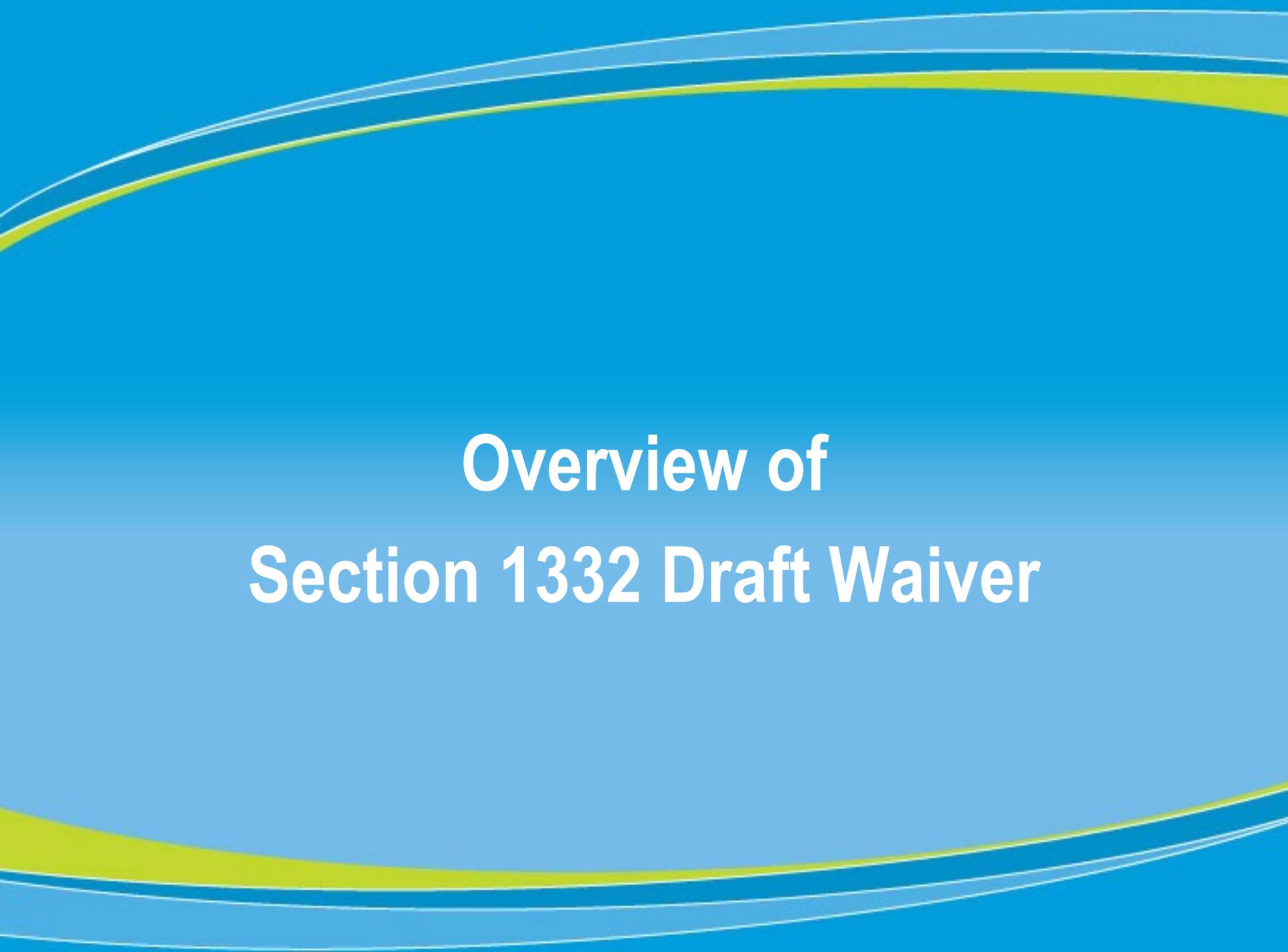


Employer Sponsored Insurance

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**



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Public Comment Period

Public Comment Process



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.