

Georgia Waiver Project

Overview of 1332 Draft Waiver
October 29, 2019

1332 Waiver Reinsurance Overview

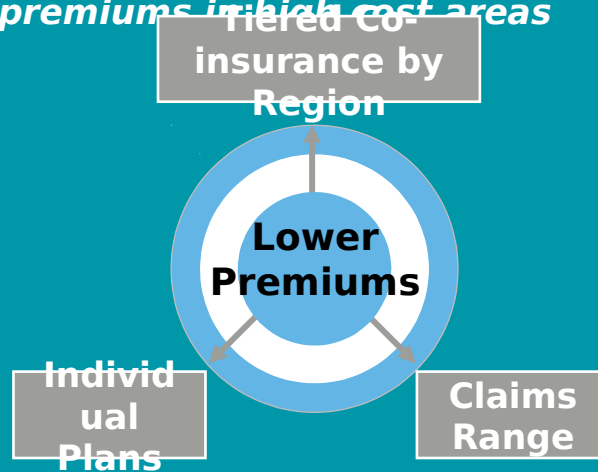
The reinsurance program reimburses carriers a portion of high-cost claims for Qualified Health Plans and Catastrophic Plans to stabilize the market and reduce premiums.

Program Goals:

- Increase affordable coverage options
- Reduce individual premiums to bring more uninsured individuals into the marketplace

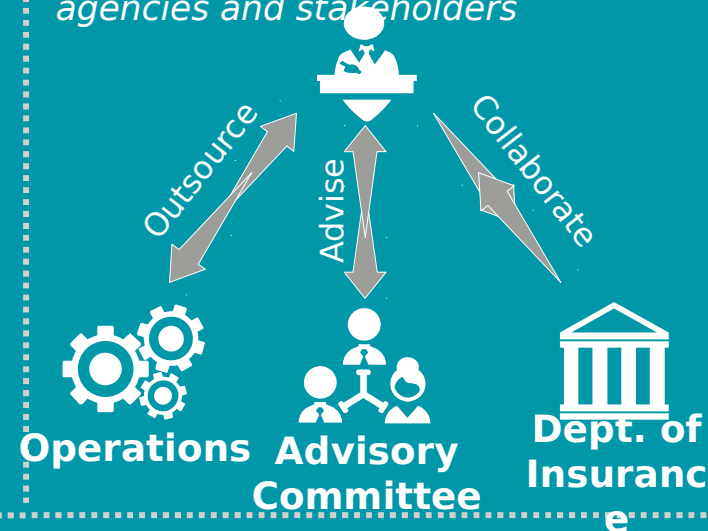
Claims Payment Approach

Claims within a defined range will be paid to insurers based on tiered co-insurance rates, **to drive down premiums in high cost areas**



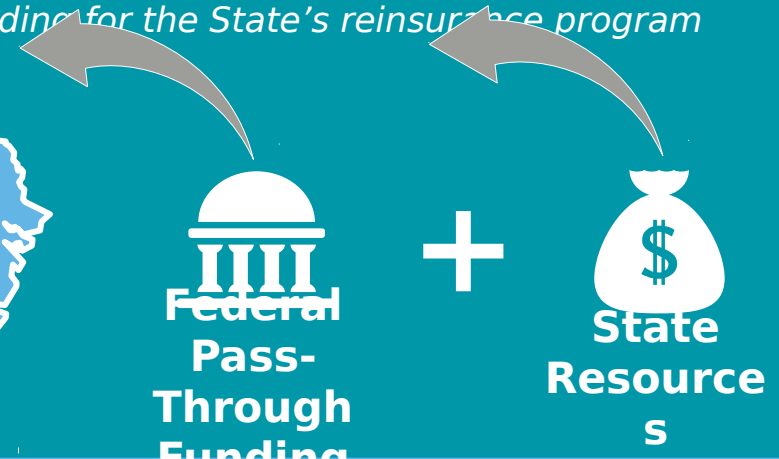
Authority & Oversight

The Office of Health Strategy & Coordination will oversee the program, coordinating across agencies and stakeholders



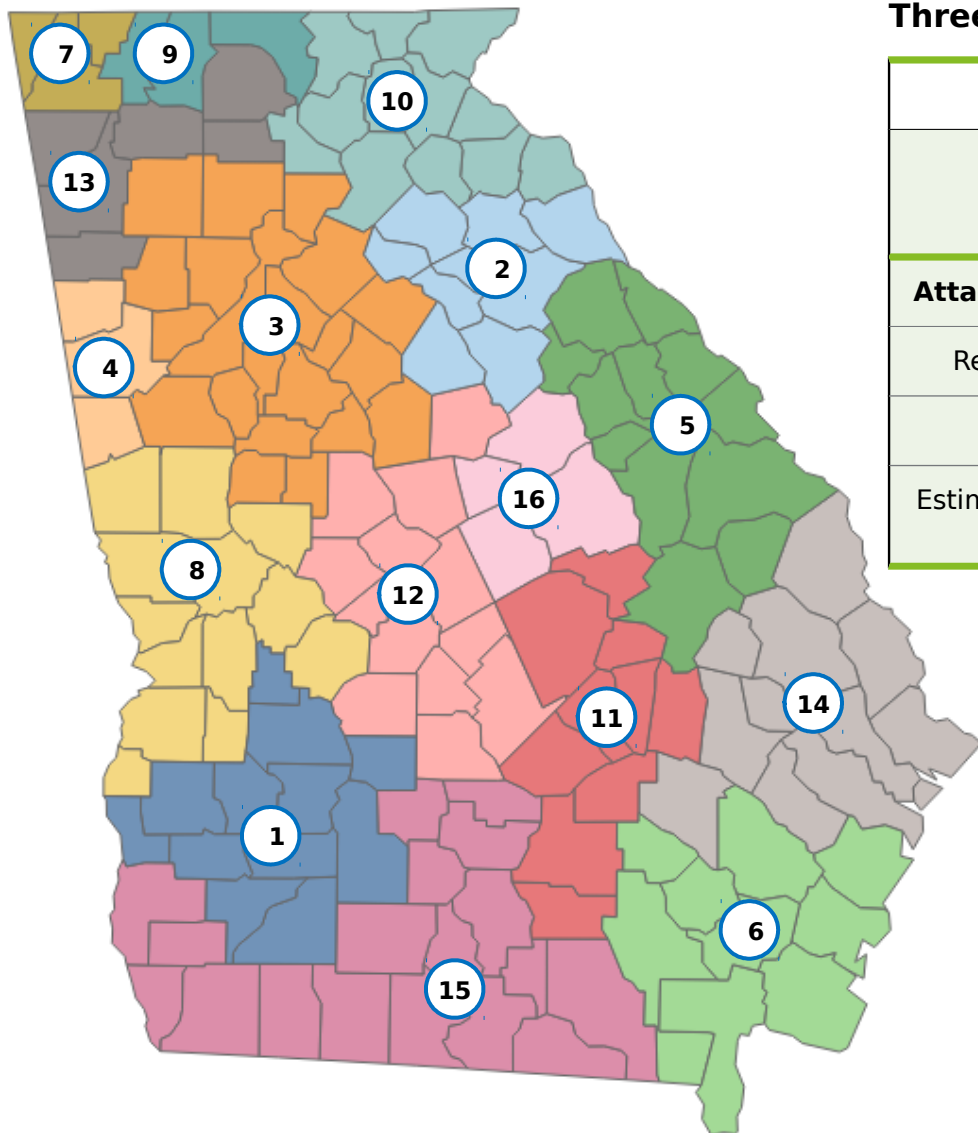
Funding Sources

Federal dollars saved from Advanced Premium Tax Credits will be passed through to the State and combined with state resources (e.g., premium assessment) to create a sustainable source of funding for the State's reinsurance program



Selected Reinsurance Parameters

Three Tiered Coinsurance



Three-Tier Coinsurance Approach

	Tier 1	Tier 2	Tier 3
Rate Regions	2, 3, 5, 8, 14	1, 7, 9, 12, 16	4, 6, 10, 11, 13, 15
Attachment Point	\$20,000		
Reinsurance Cap	\$500,000		
Coinsurance %	15%	45%	80%
Estimated Premium Reduction	4.7%	14.0%	25.0%

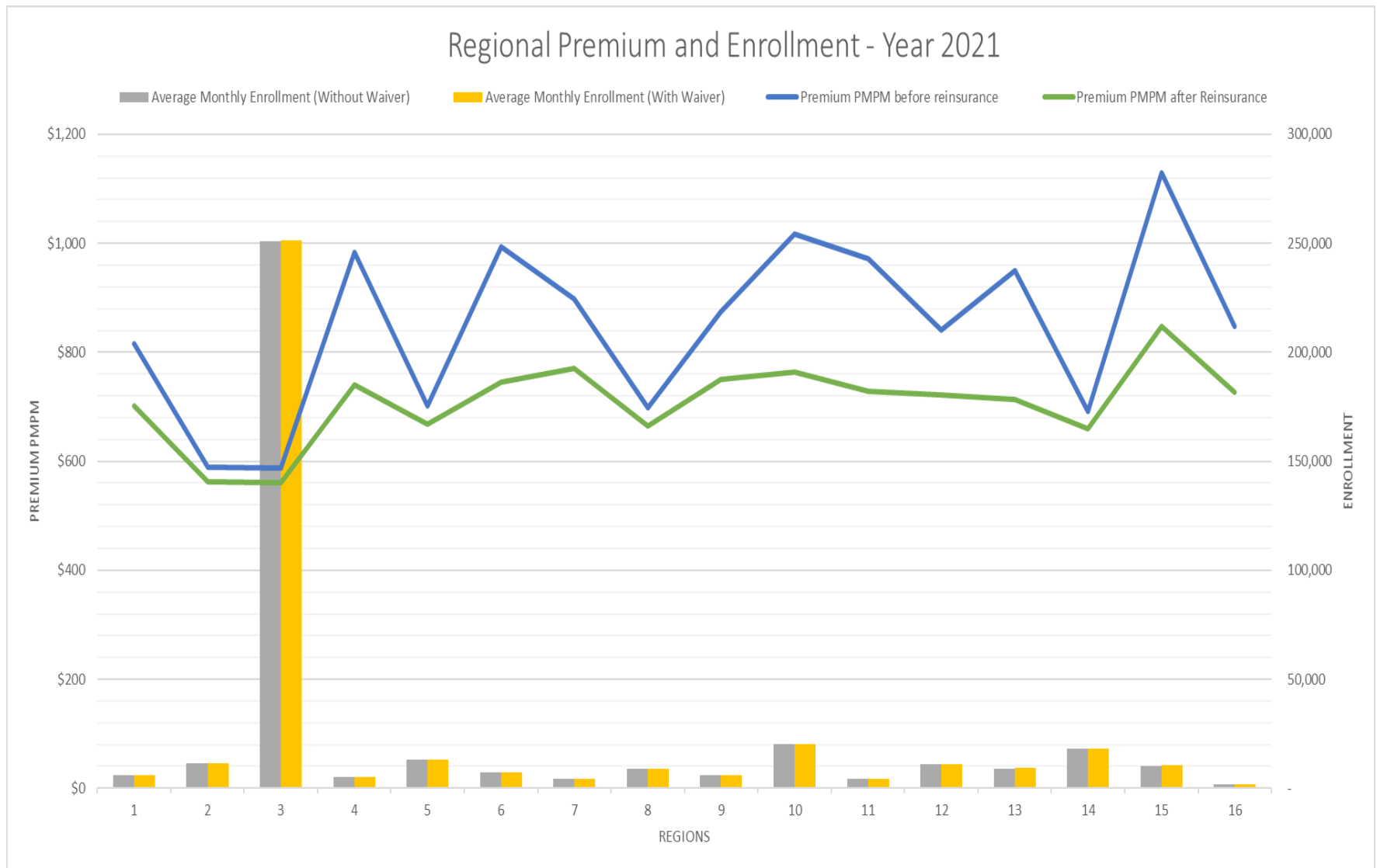
Rating Area ID

- Rating Area 1
- Rating Area 9
- Rating Area 2
- Rating Area 10
- Rating Area 3
- Rating Area 11
- Rating Area 4
- Rating Area 12
- Rating Area 5
- Rating Area 13
- Rating Area 6
- Rating Area 14
- Rating Area 7
- Rating Area 15
- Rating Area 8
- Rating Area 16

Reinsurance Parameters and Impact

	Tier 1 Area	Tier 2 Area	Tier 3 Area
Rate Regions	2, 3, 5, 8, 14	1, 7, 9, 12, 16	4, 6, 10, 11, 13, 15
Premium Range	\$588-702	\$816-897	\$949-1130
Avg Monthly Enrollment WOW	301,929	28,918	55,945
State-wide			
Attachment Point	\$20,000		
Reinsurance Cap	\$500,000		
% of Claims in Range	57.4%		
% of Members in Range	4.5%		
Rating Region Impact	Tier 1	Tier 2	Tier 3
Coinsurance %	15%	45%	80%
Est. Premium Change %	(4.8%)	(14.1%)	(25.0%)
Est. Premium Change \$	(\$27-33)	(\$114-126)	(\$236-282)
New Premium Range	\$561-669	\$702-771	\$713-848

Regional Premium Impact



1332 Waiver Overview Georgia Access

Georgia uses the private market to deliver front-end services to customers. The State calculates and issues subsidies using federal pass-through dollars and user fees previously charged as part of the FFM.

Program Goals:

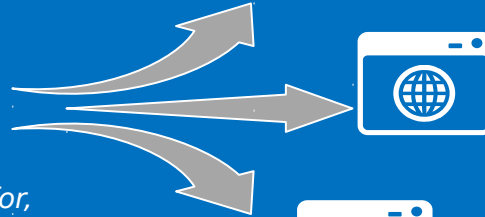
- Enable flexibility to meet Georgia's unique health coverage needs
- Improve affordability

User

Experience



Customers shop for, compare, and select plans through commercial web brokers or purchase directly from plans



Web Broker



Web Broker



Plan Websites

State

Subsidies



Web Brokers / Plans



State Eligibility and Verification Service



Federal Data Hub

The State calculates the customer's eligibility for a State-defined subsidies using a state eligibility and verification service that interfaces with the Federal Data Hub to validate information, check eligibility for Medicaid, and send subsidy information to the web broker or plan

Premium

Payments



Individual

Out of Pocket



Employer

Contributions



Health Plan

Subsidy



State

Federal pass-through and user fees

Individual coverage options are more affordable as state subsidies may be combined with employer HRA contributions

New Opportunities

- The State sets the standards for broker participation
- Vendors focus on delivering exceptional user experience
- "No wrong door" means individuals may purchase a plans through different channels and be eligible for subsidies

New Opportunities

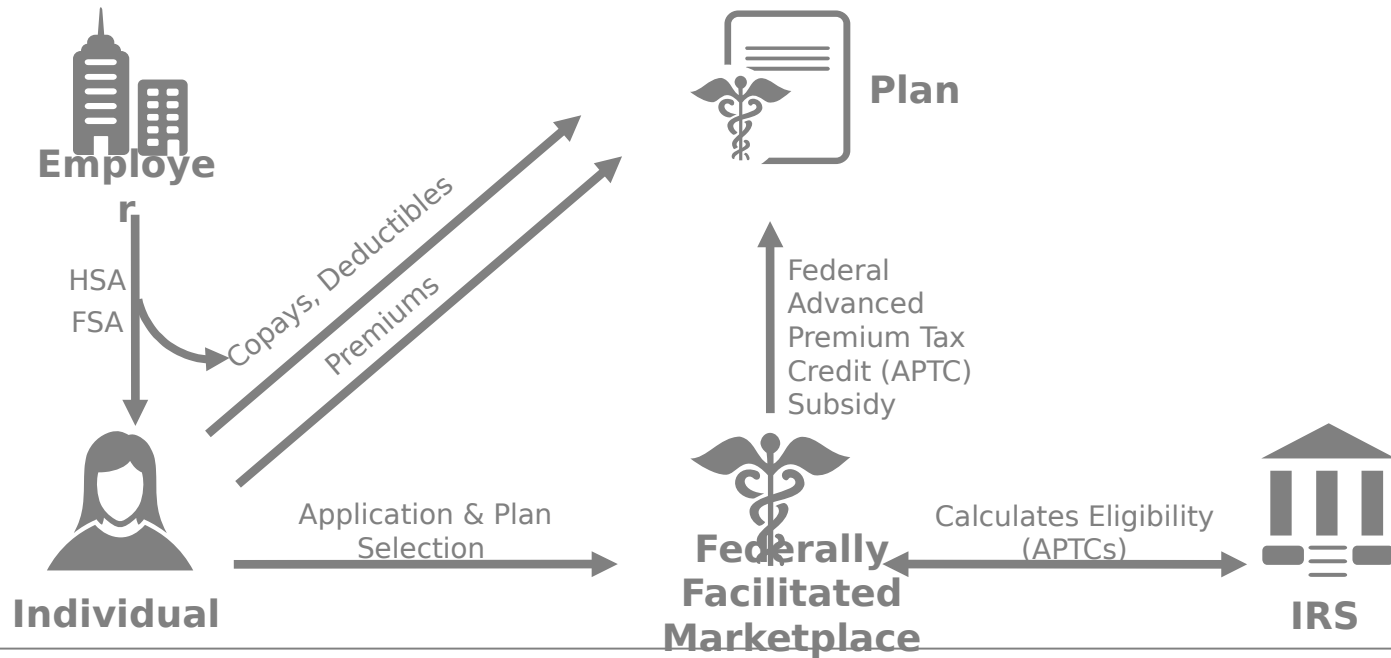
- Georgia owns plan certification creating future flexibility for the state
- The state has the flexibility to make modifications to subsidy structure in order to better meet the unique needs of its residents
- Ability to leverage recent employment data to more accurately determine subsidy eligibility

New Opportunities

- Streamlined referrals for individuals eligible for Medicaid
- Funding comes from federal Advanced Premium Tax Credits passed through to the State and combined with user fees previously assessed for the FFE
- Employers may contribute to Health Reimbursement Accounts (HRAs) to help pay for

Comparison of FFM vs Georgia Access Process

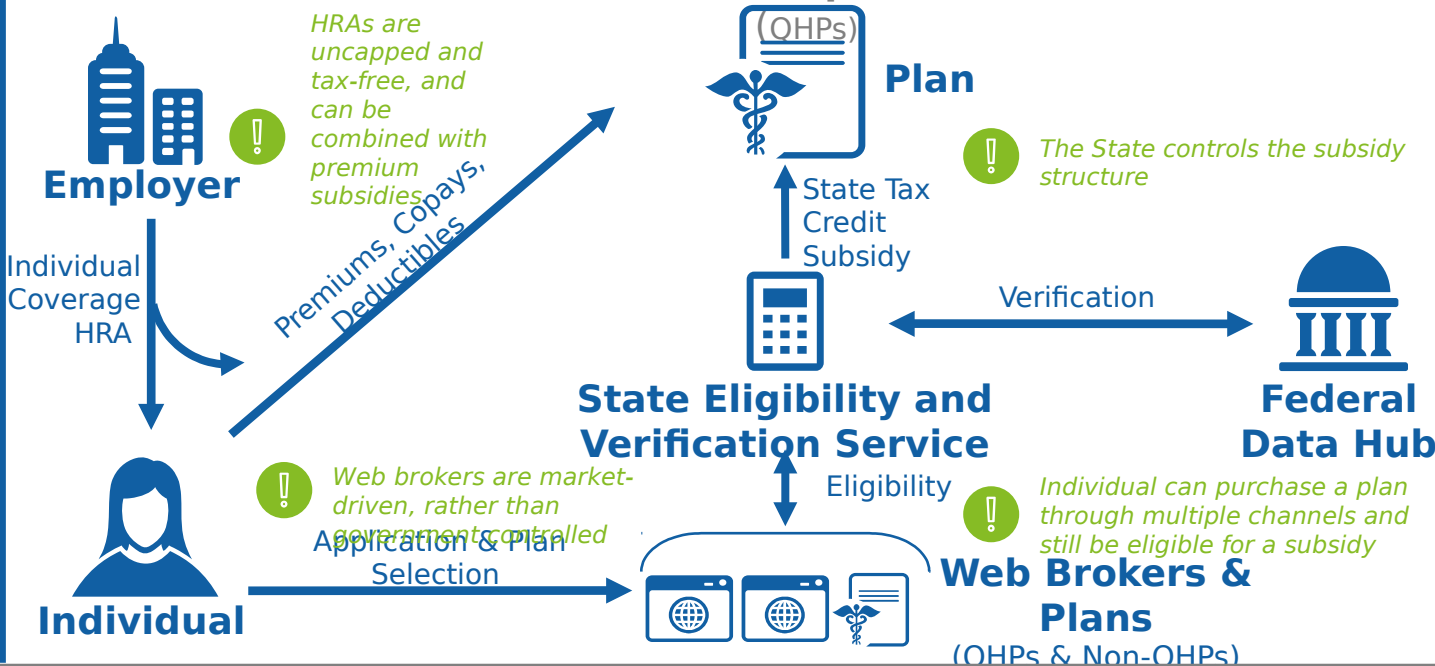
Healthcare.gov



Key Attributes

- **Employer Contributions:** HSA and FSA may only be used for copays & deductibles. Premium assistance with HRAs cannot be used with federal subsidies
- **Customer Access:** Customers can only receive subsidies when purchasing a plan on healthcare.gov or EDE

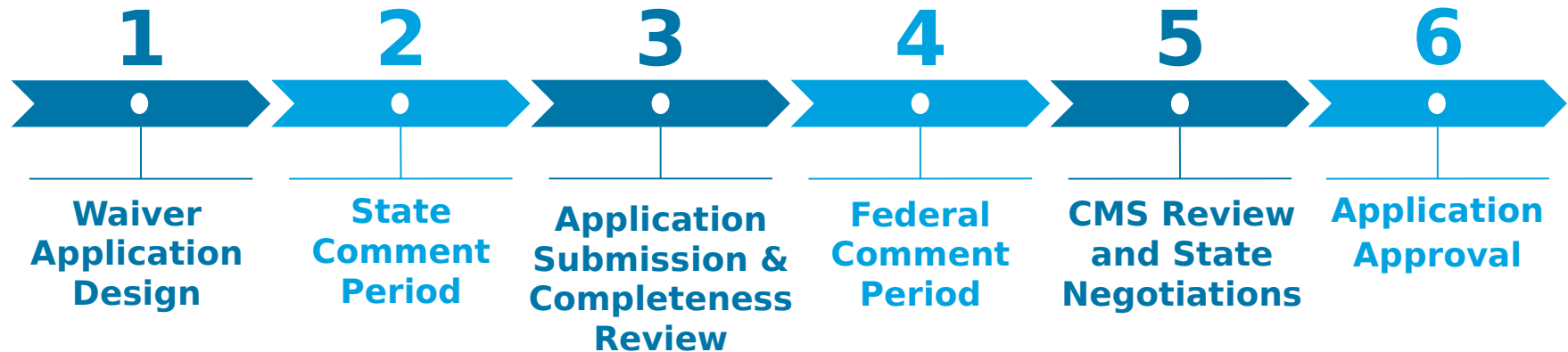
Georgia Access Model



Key Attributes

- **Employer Contributions:** HRAs are new for 2020. They are uncapped and tax-free accounts employees can combine with state subsidies to pay for premiums; they can also be used for other out-of-pocket costs.
- **Customer Access:** Customers can shop from web brokers or buy directly from

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 of submission

Federal Comment Period: 30-day federal comment period

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

Georgia Waiver November/December Timeline

Public Comment Period Dates

