



GEORGIA DEPARTMENT  
OF COMMUNITY HEALTH

# Georgia Pathways Section 1115 Draft Waiver



## Department of Community Health Board Meeting

November 4, 2019

11:30 AM



## **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.



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# 1115 Waiver Notice Background Information

# Patients First Act

## Background

- Signed **March 27, 2019**
- Grants the DCH authority to submit a Section 1115 waiver to the Centers for Medicare & Medicaid Services (CMS)

## Key Points

- 1115 waiver must be submitted on or before **June 30, 2020**
- Allows increase in Medicaid eligibility to a **max of 100% of the Federal Poverty Level (FPL)**
- Grants **authority to implement** the 1115 waiver



# 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



# 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
- Consulted with the Centers for Medicare & Medicaid Services (CMS)

## 3. Drafted Waivers

- Drafted waiver to release for public comment November 4, 2019
- Holding six public hearings across the state
- Accepting public comments online or by mail through December 3, 2019





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# 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 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**



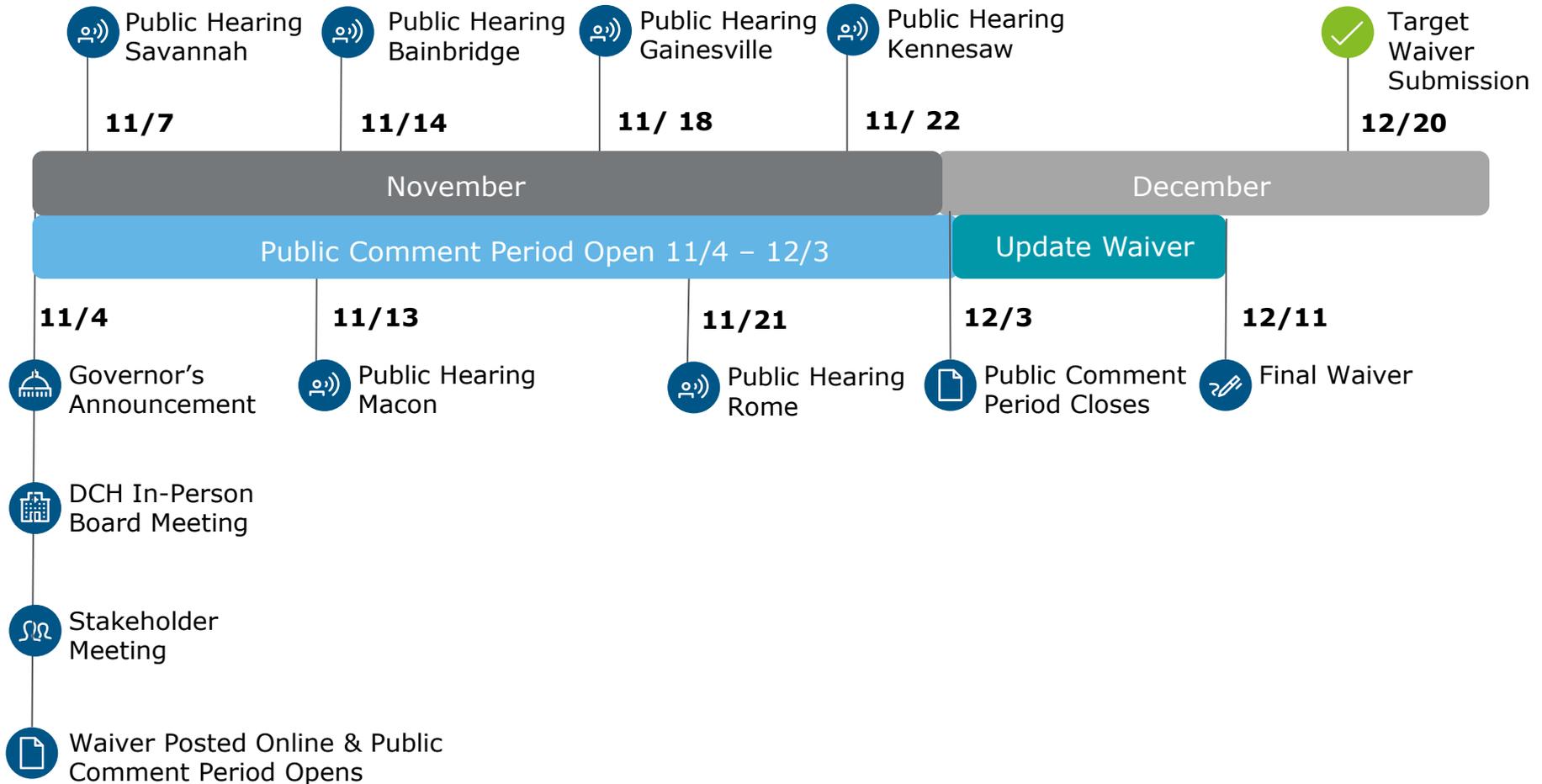
# Employer Sponsored Insurance

## 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



# Public Comment Process



# 1115 Public Comment Submission

Submit comments through December 3, 2019 **online** at:

<https://medicaid.georgia.gov/patientsfirst>

**Mail** must be postmarked by December 3, 2019, to:

Lavinia Luca

c/o Board of Community Health

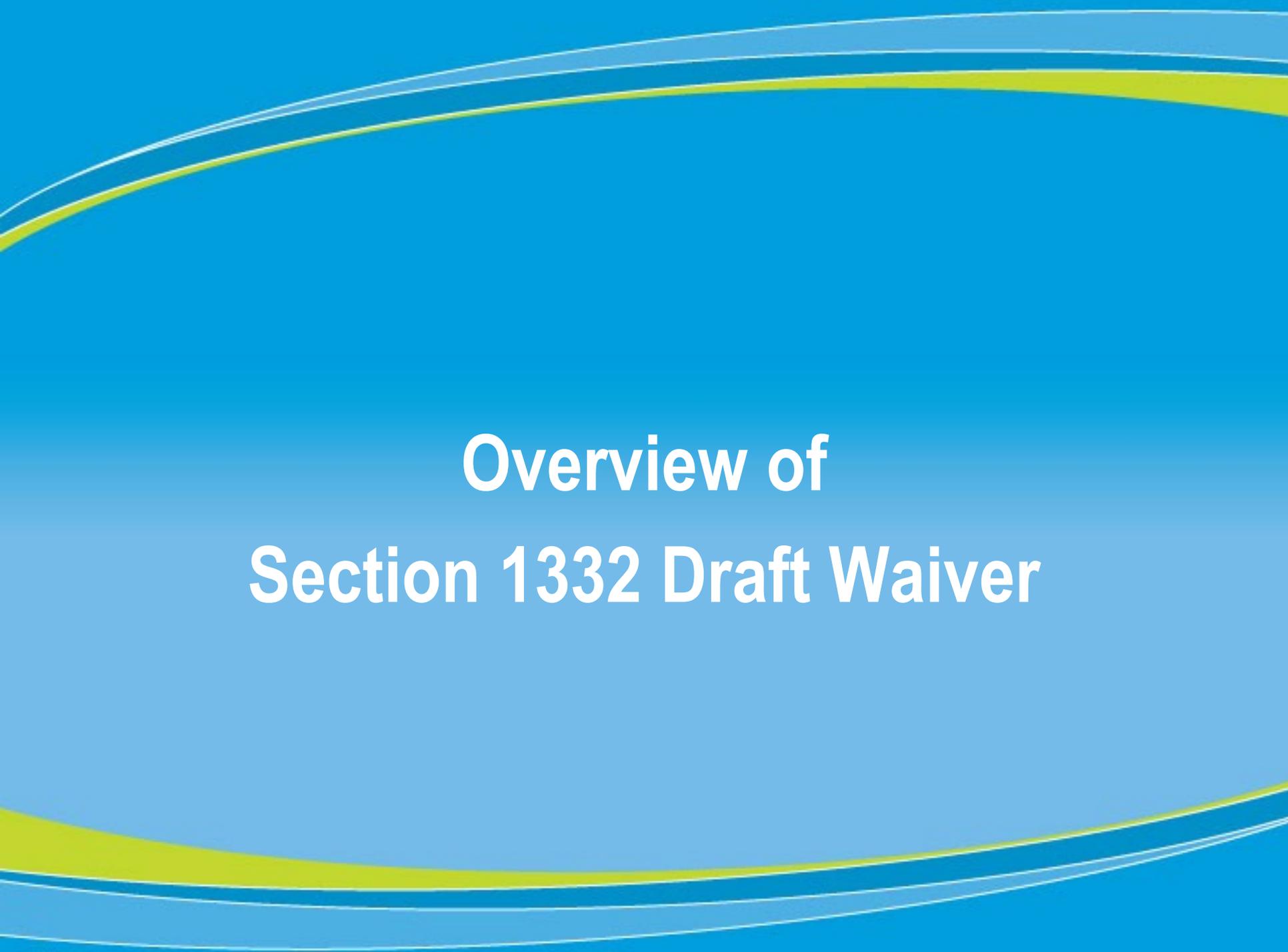
Post Office Box 1966

Atlanta, Georgia 30301-1966





# Questions regarding Georgia Pathways 1115 Demonstration Waiver



# **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**





# Purpose:

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