



STATE OF GEORGIA
OFFICE OF THE GOVERNOR

July 2, 2021

The Honorable Chiquita Brooks-LaSure
Centers for Medicare & Medicaid Services

Dear Administrator Brooks-LaSure:

I am responding on behalf of Governor Kemp to your letter dated June 3, 2021 requesting further actuarial and economic analyses of Georgia's Section 1332 State Relief and Empowerment Waiver. Currently, we hold regular implementation calls with your staff and have throughout waiver planning and since approval. We appreciate the ongoing partnership with the Centers for Medicare & Medicaid Services (CMS) that will ensure the successful implementation of Georgia's Section 1332 State Relief and Empowerment Waiver. Access to affordable coverage has always been critically important to Georgians. To achieve the goal of affordable access for all, we have worked hard with CMS and the Department of the Treasury (the Departments) to get this vital waiver approved.

As the Departments recognized by approving the waiver, both parts of the waiver, the Reinsurance Program and the Georgia Access Model, are designed to work together to increase affordability of and access to coverage for thousands of uninsured Georgians. The waiver accomplishes this goal in a number of ways, including by targeting reinsurance funds to high-cost areas of the state to provide greater premium relief to these areas; incentivizing private-sector partners to enroll uninsured Georgians; and enabling the development of a more tailored, consumer-centric shopping experience than can be offered through a single, national exchange website like HealthCare.gov.

As you know, Georgia Access provides for the transition of the State's individual market from the Federally Facilitated Exchange (FFE) – HealthCare.gov – to Georgia Access. Georgia Access is an innovative, market-driven model designed to address the unique challenges facing Georgians in accessing healthcare coverage. For many Americans, HealthCare.gov can be cumbersome, confusing, and exceedingly difficult to navigate. Despite offering billions in federal premium tax credits over the years for people seeking insurance through this portal, these incentives have remained wildly underutilized in Georgia, with almost one million Georgians eligible for subsidies today who remain uninsured. Georgia's Section 1332 waiver, including Georgia Access, is aimed at ensuring that Georgians receive an improved consumer experience and are able to shop for and enroll in an affordable plan that meets their needs, while incentivizing the private market to target the uninsured who have been left behind by HealthCare.gov.

Despite unsubstantiated claims to the contrary, Georgia Access will put more affordable, quality insurance coverage within reach of consumers in our state than a one-size-fits-all federal solution. Georgia Access

will create an enhanced consumer experience with private-sector incentives and marketing for consumers to shop, compare, and enroll in insurance through a more user-friendly experience. Additionally, our reinsurance program incentivizes carriers to serve our highest cost regions and create more choice. Over the last two years, Georgia has done extensive outreach to carriers to bring them into the market, and - as a result - the state has seen five new carriers enter the market this year with the pending implementation of the State 1332 Georgia Access Waiver. These five new QHP carriers and the six currently in Georgia's market have expressed their commitment to participating in Georgia Access. In addition, we have had eight enhanced direct enrollment vendors who are current partners with CCIIO for QHP shopping and enrollment on behalf of HealthCare.Gov express their commitment to participating in Georgia Access.

Since the final approval of the waiver, we have worked in good faith with CMS to implement the waiver by participating in regular implementation calls and exchanging relevant information. Throughout this time, the need to provide updated analyses to account for changes to policy or federal law was never raised. Thus, your request to reopen the waiver and the corresponding thirty-day deadline came as a surprise. The Departments exercised their discretion to approve the waiver and, through this approval, entered into Specific Terms and Conditions (STCs) with the State of Georgia that govern the operation of the waiver. While you cited portions of these STCs in your request, it is unclear how this request fits within the process established under the STCs. We are concerned that the request envisions a reopening of the waiver's application and approval process, and yet there is no provision included in the STCs for the Departments to make such a request. For the past eight months, we have acted in reliance on the approval and the corresponding STCs, and have been implementing the approved waiver, making substantial investments to meet the timeline for both portions of the waiver. Moreover, more than twenty private-sector organizations have collaborated with the State and made their own investments. It was our understanding that CMS has no authority under the statute, regulations, or the contractually binding STCs to reopen the approval of Georgia's Section 1332 State Relief and Empowerment Waiver. We would ask that CMS provide further clarification of its request for additional analyses.

We have enjoyed a strong working relationship with CMS throughout the waiver approval and implementation process. Together, we have agreed to a fair and thorough set of STCs to ensure the waiver delivers positive results for the people of Georgia. Central to the success of this partnership is that both parties are obligated to honor these contractual agreements and carry them out in good faith. Georgia has every intention of complying with the guardrails throughout the life of the waiver.

However, we are concerned that your request for updated analyses does not follow the process set out in the STCs and suggests that the Departments wish to reopen the approval of the waiver—an action not permitted by the STCs. To clarify whether we have misunderstood your request, we respectfully ask for a meeting to provide further clarification, including how your request fits into the processes outlined and agreed to in the STCs. Thank you for your attention to this important issue. Should you have any questions, please contact me at grant.thomas@opb.georgia.gov or (404) 971-7575.

Sincerely,



Grant Thomas

Director - Governor's Office of Health Strategy and Coordination