

Prioritizing Consumers in the Patients First Act (SB 106)

Extending coverage to low-income Georgians (Section 2-1)

The goal to extend coverage to low-income Georgians is one with which GHF whole-heartedly agrees. With some small changes, this legislation could benefit more Georgians at a lower cost to the state. Under the legislation as written:

1. Georgia will shoulder more of the costs for the newly-insured
 - In the Affordable Care Act, Congress directed that the 90% enhanced matching rate be used only in circumstances where states expanded coverage to all adults with incomes up to 133% FPL.
 - Longstanding guidance from the Centers for Medicare and Medicaid Services (CMS) reinforces Congress's direction and CMS has no legal standing to deviate from that.¹
 - Wisconsin \$1.1 billion more for its "partial expansion" than it would have if the state had covered all adults up to 133% FPL²
2. Fewer Georgia adults would gain coverage.
 - An estimated 200,000 Georgians fall between 100% and 133% FPL, many of whom are uninsured and will likely remain so under this legislation.
 - Wisconsin's partial expansion reduced the state's uninsured rate, but the drop was 5 to 9 percentage points behind that of its neighbors, all of whom had expanded coverage to 133% FPL.³
3. Fewer Georgia children would gain coverage.
 - When parents and caregivers are covered, kids are more likely to be insured. Approximately 53,000 parents in Georgia currently fall in the coverage gap.⁴
 - Georgia has the 4th highest number of uninsured kids in the nation, many of whom are eligible for Medicaid but remain uninsured because their parents are uninsured.
4. Georgia's legislature may be required to re-visit this debate again next year
 - CMS has already declined waivers from Arkansas and Massachusetts to roll back their Medicaid expansions to 100% FPL and has not approved a Utah waiver to implement a partial coverage expansion.
 - If Georgia's legislation includes a specific restriction to 100% FPL and CMS declines the state's waiver proposal, the legislature may have to re-litigate the issue all over again.

Recommendation: Increase the maximum income threshold to 133% FPL or remove the maximum income threshold altogether.

¹ CMS, [Frequently Asked Questions on Exchanges, Market Reforms and Medicaid](#)

² Milwaukee Journal Sentinel, [Cost of Wisconsin's Stance on the Affordable Care Act: \\$1.1 Billion through this fiscal year](#), October, 23, 2018.

³ Georgetown University, Center for Children and Families, [Wisconsin's Partial Expansion Covers Far Fewer People at Much Greater Cost](#)

⁴ Voices for Georgia's Children, [Barriers to Healthcare for Georgia's Children](#), September 2018.

Addressing Georgia's private insurance marketplace (Section 3-2)

The legislation's goal of pursuing innovative strategies in order to provide Georgians with access to high quality, comprehensive, and affordable health insurance while retaining the protections for consumers is commendable and one that GHF supports on behalf of consumers.

The ACA's 1332 waivers can have beneficial or harmful impacts on Georgia's private insurance market and consumers who purchase private coverage.⁵ The legislation as currently written grants broad authority to the Governor and the Department of Insurance to pursue any strategy allowed by CMS with no limitations. The lack of boundaries included in the bill allows for waiver proposals that could create seismic and detrimental changes that harm consumers and the marketplace, and the legislature would have little recourse to intervene. Injurious waiver impacts could include:

- Re-structuring the marketplace's financial assistance structure so that low- or middle-income consumers can no longer afford coverage or are liable for greatly increased out of pocket costs
- Allowing financial assistance to apply to junk insurance plans, drawing consumers out of the marketplace and sending insurance premiums into an upward spiral for consumers with pre-existing conditions who need comprehensive coverage
- Increasing the availability of non-ACA compliant plans so that the protections against insurer discrimination based on consumer age or health status are undercut or effectively eliminated

Recommendation: Narrow the scope of an allowable 1332 waiver by specifying that the state is allowed to establish a reinsurance program or, if other proposals may be considered, lay out the principles that the waiver must meet.

Georgians for a Healthy Future's 1332 waiver principles:

- Preserve critical consumer protections, like those that protect consumers with pre-existing conditions
- Maintain comprehensive, quality health coverage, including the requirement that all insurance plans cover the ten essential health benefits⁶
- Insulate consumers from rising health care costs by building a stable, robust health insurance marketplace and investing in policies that increase marketplace enrollment
- Disallow increases in financial liabilities for low- and middle-income consumers (those between 100-400% FPL)

⁵ Kaiser Family Foundation, [New Rules for Section 1332 Waivers: Changes and Implications](#)

⁶ The ten essential health benefits are outpatient services, emergency services, hospitalization, maternity and newborn care, mental health and substance use disorder services, prescription drugs, rehabilitative and habilitative services (those that help patients acquire, maintain, or improve skills necessary for daily functioning) and devices, laboratory services, prevention and wellness screens and chronic disease management, and pediatric services including dental and vision care.