

# SB 65: *Moving Georgia to a state-based marketplace for health insurance*

A health insurance marketplace provides a way for consumers to compare and purchase health plan options offered by participating insurers. Under the Affordable Care Act (ACA), states are given the option to operate their own state-based marketplace (SBM) or use the federally-facilitated marketplace (FFM). The FFM is commonly known as healthcare.gov. Eighteen (18) states have chosen to use an SBM.

## Both types of health insurance marketplaces must offer certain core functions

- The ability to enroll consumers into health insurance plans
- Tools to navigate consumers through the process of selecting and enrolling in a plan, including a web portal and health insurance navigator program (i.e. unbiased, in-person assistance)
- Online calculator so consumers can calculate their premiums after factoring in all available financial help
- Consumer-friendly displays of information about health plan costs, benefits, and quality and satisfaction ratings
- Certification that plans available on the exchange have reasonable provider networks and cover the 10 essential health benefits (plus any additional services mandated by Georgia law)
- Presentation of plan options in tiers (platinum, gold, silver, bronze) so that consumers can objectively identify which plans are more comprehensive than others and select a plan that best meets their needs
- Provide plain language information on enrollee rights, claims denials, and other consumer protections

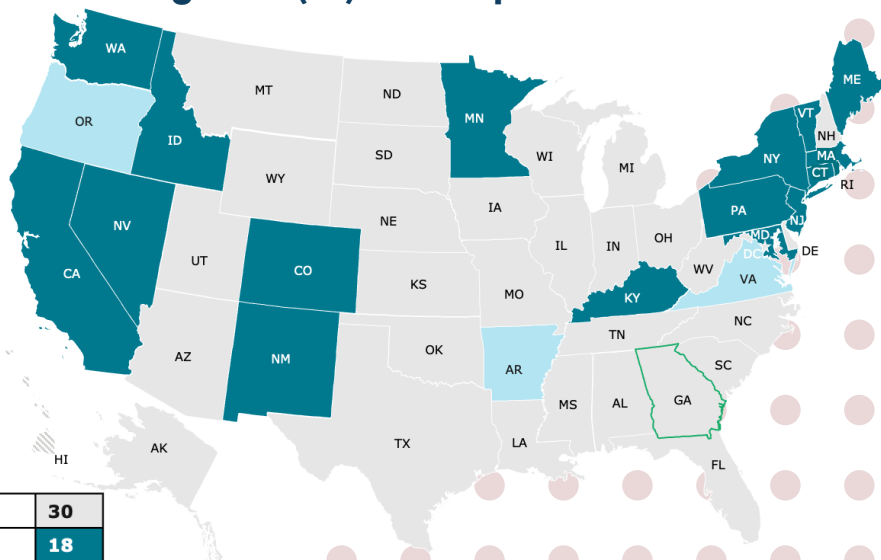
## What are the benefits of moving to an SBM?

- SBMs allow states more flexibility and control over their health insurance marketplace to meet the unique needs of the state's population
- States using their own SBM do not have to pay the FFM user fees. Healthcare.gov user fees have risen in recent years because they are tied to premiums which have also risen.
- The money previously used to pay FFM user fees can be redirected to operate the SBM.
- SBMs allow states more control and authority over their marketplaces, which can improve operations, coordination across programs, and outreach and marketing to likely eligible consumers.
- Currently, the US Centers for Medicare & Medicaid Services (CMS) funds marketing in all FFM states without much customization for the needs of each state. Thoughtful investments in SBM outreach and marketing can reflect the state's language and cultural needs, leading to an increase in enrollment.

### An SBM is not the decentralized, insurer- or broker-run system proposed in Gov. Kemp's 1332 Georgia Access waiver.

SBMs are detailed in the ACA, must offer the core functions outlined above, and are operated in partnership with the federal government. While SBMs are more defined, there are still risks to consumers.

## Eighteen (18) states operate an SBM

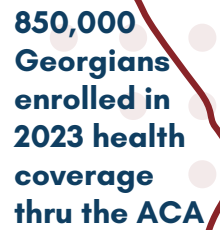


Map Key

FFM	30
SBM	18
SBM using federal platform	3

# What considerations should be made when moving to a Georgia-led SBM?

Nearly 8% of Georgia's population enrolled in health insurance for 2023 through the ACA. Georgia consumers used the FFM platform (healthcare.gov) to shop and enroll in their coverage more than any other available platform. The state must ensure the SBM functions at least as well as healthcare.gov to maintain this level of enrollment.



850,000  
Georgians  
enrolled in  
2023 health  
coverage  
thru the ACA

Switching to an SBM is a major undertaking and should not be considered a cost-saving measure. There are real risks to consumers. Most can be overcome with intentional planning and smart investments.

- Georgia will need to re-invest the money currently spent on healthcare.gov user fees to ensure the SBM's success.

- Other states have seen (usually temporary) drops in health insurance enrollment when transitioning from healthcare.gov to an SBM.
- Georgia's Department of Insurance has stated that it intends to launch the SBM in the fall of 2023. This would take place in the middle of Medicaid unwinding during which many consumers will be disenrolled from Medicaid and some will be newly ACA coverage. Consumer confusion about where to enroll in ACA coverage could mean some consumers end up uninsured temporarily or long-term.

**To guard against consumer coverage losses and confusion, Georgia must maintain and grow current levels of funding for consumer assistance and other outreach and advertising efforts.**

- Building the long-term capacity of Georgia's Department of Insurance to run an SBM is imperative. This may include adding full-time staff, increasing staff pay to competitive levels, and investing in new technology systems.

## A well-designed Georgia-led SBM should meet these benchmarks:

- ★ Serve as an **easy-to-use, one-stop-shop** for consumers' private health insurance (including referrals/transfers to PeachCare for Kids and Medicaid where appropriate) to ensure that all individuals and families eligible for these programs enroll
- ★ Maintain and grow **tailored outreach and advertising efforts** to ensure that low-income and minority communities that historically have had the highest rates of uninsurance are engaged and that consumers in rural areas, without internet access, or with limited English proficiency can still enroll in the plan that best meets their needs
- ★ Provide **local, unbiased navigation and assistance for consumers** regarding enrollment, questions, and grievances about health coverage
- ★ Retain **transparency** by providing information about the health insurance options available in an easy-to-use standardized format (free of insurance jargon) so that consumers can make apples-to-apples comparisons on a single website
- ★ Provide information and tools to **help consumers make informed choices** and determine eligibility for financial assistance, and calculate the monthly premium after the assistance is applied
- ★ **Maintain or improve affordability** for consumers by faithfully stewarding existing financial assistance options and Georgia's reinsurance program, and considering creative approaches to lower out-of-pocket costs in other ways
- ★ **Increase competition** based on value and **hold insurance companies accountable** by certifying that plans meet standards regarding provider networks and benefit packages
- ★ **Hold itself accountable to Georgia consumers** and elected leaders by publicly and timely reporting key metrics about enrollment, financial assistance availability, and other aspects of operations; and meaningfully engaging consumers in oversight and evaluation of all SBM activities