



September 23, 2020

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

RE: GA 1332 State Empowerment and Relief Waiver Application

Dear Secretary Azar,

The Cystic Fibrosis Foundation appreciates the opportunity to comment on Georgia's Section 1332 Waiver application. We are concerned that the proposed Georgia Access Model could jeopardize access to quality, affordable healthcare for people with cystic fibrosis and other pre-existing conditions, and therefore urge the Centers for Medicare and Medicaid Services (CMS) to reject this waiver request.

Cystic fibrosis is a life-threatening genetic disease that affects approximately 840 people in Georgia. Over half of adults living with CF in the state rely on Medicaid for some or all of their health care coverage. CF causes the body to produce thick, sticky mucus that clogs the lungs and digestive system, which can lead to life-threatening infections. Cystic fibrosis is both serious and progressive; lung damage caused by infection can be irreversible and have a lasting impact on length and quality of life. As a complex, multi-system condition, CF requires targeted, specialized treatment and medications. If left untreated, infections and exacerbations caused by cystic fibrosis can result in irreversible lung damage and the associated symptoms of CF lead to early death, usually by respiratory failure.

While the CF Foundation supports reinsurance as a tool to stabilize premiums in the individual market, we remain deeply concerned with Georgia's proposal to transition the state's individual market to the Georgia Access Model. Under the proposal, the state would require Georgians to enroll in coverage through insurers, brokers, and private websites rather than through Healthcare.gov. This plan increases the risk that people will enroll in coverage with inadequate benefits through private entities that may not help patients choose the best plan for their health needs. While this proposal is concerning even under normal conditions, the state's pursuit of these changes during the ongoing COVID-19 pandemic threatens access to adequate, affordable health coverage at a time when Georgians can least afford it.

The Cystic Fibrosis Foundation urges you to reject the state's proposed Georgia Access Model and offers the following comments on the waiver application.

#### **Georgia Access Model**

Georgia's application proposes to discontinue use of Healthcare.gov for enrollment and instead direct people to enroll directly through insurers or brokers. This policy will make it harder for patients to enroll in comprehensive, affordable healthcare coverage and we oppose this change.

### *Impact on Enrollment and Coverage*

The CF Foundation is concerned that the state's planned transition from Healthcare.gov to several disparate, private health insurance websites could cause confusion for Georgians who currently purchase plans through the federal marketplace and for some to lose coverage as a result. Furthermore, we believe that Georgia's waiver fails to satisfy the statutory guardrail that 1332 waivers cannot decrease the number of covered individuals. The state asserts that enrollment will increase by 25,000 due to the change to direct and broker-mediated enrollment; however, there is no clear methodology for producing this estimate except the state's unproven claim that plans will market more directly and effectively when Georgia moves away from Healthcare.gov. Rather, removing Healthcare.gov as a pathway to enrollment will likely decrease, rather than increase, enrollment. Many patients may be lost in the transition and therefore lose coverage. Nevada recently transitioned to a new enrollment platform for 2020, and while the transition went smoothly, enrollment declined in its first year.<sup>1</sup> CF care is expensive and patients cannot afford to lose coverage for any of period of time; without it, they would not be able to afford the care and treatments they need to stay healthy.

### *Plan Choice and Adequacy*

Today, patients with CF who shop on Healthcare.gov can trust that they are purchasing a health insurance plan that will allow them to manage their health condition. However, under the Georgia Access Model, issuers and brokers could sell qualified health plans (QHPs) alongside other types of plans that discriminate against people with pre-existing conditions and will not cover enrollees' medical expenses if they get sick. This could create confusion for patients, including those with CF, and lead them to purchase coverage that does not meet their needs. There is already evidence of misleading marketing related to short-term and other skimpy plans leading individuals to unwilling enroll in coverage that lacks key patient protections.<sup>2</sup> This problem would likely worsen in Georgia under this proposal.

We fear that under the new enrollment platform, patients are more likely to enroll in substandard, inadequate coverage. Healthcare.gov shows consumers all QHPs available in their area and does not favor certain plans over others. However, brokers who would be helping individuals through the enrollment process under the Georgia Access Model would not have to show individuals all of their plan options and may receive larger commissions for certain plans over others that influence their recommendations to patients. Increasing the reliance on insurers and brokers will limit the ability of patients with cystic fibrosis to compare plan price and benefit design in an unbiased manner to choose the right plan for them and could result in harm to patients who become enrolled in sub-standard or inadequate insurance coverage. This failure to appropriately shield patients from risk is unacceptable.

### *Impact on Premiums*

The state predicts that moving to enhanced direct enrollment with web brokers will bring down premiums. Unfortunately, the opposite could happen. With this waiver, some healthy people may drop

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<sup>1</sup> Nevada health insurance marketplace: history and news of the state's exchange. Louise Norris, HealthInsurance.org. June 11, 2020. Available at: <https://www.healthinsurance.org/nevada-state-health-insurance-exchange/>

<sup>2</sup> Seeing Fraud and Misleading Marketing, States warn Consumers About Alternative Health Insurance Products. The Commonwealth Fund, Dania Palanker, JoAnn Volk, and Maanasa Kona. October 30, 2019. Available at; <https://www.commonwealthfund.org/blog/2019/seeing-fraud-and-misleading-marketing-states-warn-consumers-about-alternative-health>, and The Marketing of Short-Term Health Plans, The Robert Wood Johnson Foundation, January 31, 2019. Available at: <https://www.rwjf.org/en/library/research/2019/01/the-marketing-of-short-term-health-plans.html>

comprehensive coverage and opt for a non-compliant plan or forgo coverage altogether. Those remaining in the individual market of compliant plans would likely have more complex health conditions, which could drive premiums in the market up, instead of down.

### **Reinsurance Program**

The Cystic Fibrosis Foundation supports reinsurance as a tool to help stabilize health insurance markets. Reinsurance programs help insurers cover the claims of very high cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. These programs have been used to stabilize premiums in a number of healthcare programs, such as Medicare Part D. A temporary reinsurance fund for the individual market was also established under the Affordable Care Act and reduced premiums by an estimated 10 to 14 percent in its first year.<sup>3</sup> A recent analysis by Avalere of seven states that have already created their own reinsurance programs through Section 1332 waivers found that these states reduced individual market premiums by an average of 19.9 percent in their first year.<sup>4</sup>

While we support Georgia's proposed reinsurance program, we are disappointed to see that the state has decided to delay implementation by a year to 2022. Stabilizing the individual market and facilitating patient access to affordable, comprehensive coverage is especially important given the economic uncertainty caused by the COVID-19 pandemic. Based on the initial analysis commissioned by the state, this program is projected to reduce premiums by 10.2 percent in 2022 and increase the number of individuals obtaining health insurance through the individual market.

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Protecting access to quality and affordable care is critically important for our community, especially in the midst of the current public health crisis caused by COVID-19. Therefore, we urge CMS to reject this waiver and Georgia's request to transition the state's individual market to the new Georgia Access Model.

Thank you for your consideration.

Sincerely,

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Senior Vice President of Policy and Advocacy  
Cystic Fibrosis Foundation

**Kathleen McKie, MD**  
Pediatric CF Care Center Director  
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<sup>3</sup> American Academy of Actuaries, Individual and Small Group Markets Committee. *An Evaluation of the Individual Health Insurance Market and Implications of Potential Changes*. January 2017. Retrieved from [https://www.actuary.org/files/publications/Acad\\_eval\\_indiv\\_mkt\\_011817.pdf](https://www.actuary.org/files/publications/Acad_eval_indiv_mkt_011817.pdf).

<sup>4</sup> Avalere. *State-Run Reinsurance Programs Reduce ACA Premiums by 19.9% on Average*. March 2019. Retrieved from <https://avalere.com/press-releases/state-run-reinsurance-programs-reduce-aca-premiums-by-19-9-on-average>.