



December 3, 2019

*Submitted via online portal*

## **Re: NORD Comments on Georgia's 1332 Waiver Application**

The National Organization for Rare Disorders (NORD) appreciates the opportunity to submit comments on Georgia's Section 1332 Waiver Application for a reinsurance program.

NORD is a unique federation of voluntary health organizations dedicated to helping people with rare "orphan" diseases and assisting the organizations that serve them. We are committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

Reinsurance is an important tool to help stabilize health insurance markets. Reinsurance programs help insurance companies cover the claims of very high cost enrollees, which in turn keeps premiums affordable for other individuals buying insurance on the individual market. Reinsurance 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>i</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>ii</sup>

Georgia's proposal will create a reinsurance program starting for the 2021 plan year. This program is projected to reduce premiums by 10 percent and increase the number of individuals obtaining health insurance through the individual market by about 1,400. This would help patients with pre-existing conditions, including patients with rare diseases, obtain affordable, comprehensive coverage.

While NORD supports reinsurance as a tool to stabilize premiums in the individual marketplace, we are deeply concerned that the remainder of the state's 1332 Waiver Application will jeopardize access to quality and affordable healthcare coverage for patients with rare diseases and other pre-existing conditions, as we have outlined in our related comments on the Georgia Access Model.



Sincerely,

/s/

Rachel Sher,  
Vice President of Policy and Regulatory Affairs

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<sup>i</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>ii</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>.