



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

Honorable Steve Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Re: Georgia 1332 Waiver Application - Reinsurance

Dear Secretary Azar and Secretary Mnuchin:

Thank you for the opportunity to submit comments on Georgia's 1332 waiver application.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what patients need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting state health insurance marketplaces and the patients that they serve. We urge the Departments to make the best use of the recommendations, knowledge and experience our organizations offer here.

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.¹ 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.²

Georgia's proposal will create a reinsurance program starting for the 2021 plan year and continuing for five years. Based on the initial analysis commissioned by the state, this program is projected to reduce premiums by 10.0 percent in 2020 and increase the number of individuals obtaining health insurance through the individual market. This would help patients with pre-existing conditions obtain affordable, comprehensive coverage.

Our organizations urge you to approve Georgia's reinsurance application. We also appreciate your decision to separate Georgia's reinsurance application from the state's problematic "Pathways to Coverage" application, consideration of which is paused pending additional information and analysis from the state. Under that proposal, the state would leave Healthcare.gov and instead shift to a state-administered subsidy program that has inadequate funding, drives people to enroll in less comprehensive coverage, and relies on private entities for enrollment that may not help patients choose the best plan for their health needs. The waiver would put the healthcare coverage of the 450,000 Georgians who currently get their insurance through the state's marketplace at risk while only attempting to expand coverage for a small fraction (35,000 individuals) of the more than 1.4 million uninsured individuals in Georgia.³ Our organizations remain extremely concerned about those proposals and, if resubmitted, urge you to carefully review the additional information to ensure adherence to the four guardrails. We believe close scrutiny will require the Departments to deny those requests and protect quality and affordable healthcare coverage for patients with pre-existing conditions.

Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association
American Kidney Fund
American Liver Foundation
American Lung Association
Cystic Fibrosis Foundation
Epilepsy Foundation
Hemophilia Federation of America
Leukemia & Lymphoma Society
National Alliance on Mental Illness
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Psoriasis Foundation
Pulmonary Hypertension Association
Susan G. Komen

¹ 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.

² 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>.

³ American Community Survey Tables for Health Insurance Coverage, *Health Insurance Coverage Status and Type of Coverage by State and Age for All People: 2018*. Available at: <https://www.census.gov/data/tables/time-series/demo/health-insurance/acs-hi.html>.