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September 16, 2020

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
Hubert H. Humphrey Building, Room 445–G  
200 Independence Avenue, SW  
Washington, DC 20201

RE: Georgia's Proposed 1332 State Innovation Waiver

Dear Administrator Verma:

On behalf of the American Medical Association (AMA) and our physician and student members, I am writing to express our concern with Georgia's proposed State Innovation Waiver under Section 1332 of the Affordable Care Act (ACA). The Georgia Access Model outlined in this waiver proposal will have a negative impact on access to affordable health insurance coverage for Georgia residents and does not meet the statutory requirement under Section 1332 that it provide coverage to at least a comparable number of state residents as existing law. Similarly, the Georgia Access model is likely to steer individuals to plans that do not meet ACA coverage requirements, and therefore may not meet the statutory waiver requirement to provide coverage at least as comprehensive as provided through the ACA marketplace. Accordingly, the AMA urges the Centers for Medicare & Medicaid Services (CMS) to reject the proposed Georgia Access Model.

The Georgia Access Model would end access to HealthCare.gov in Georgia, and rather than replace it with another centralized marketplace, the proposal would disperse marketplace functions among individual health insurers and private brokers throughout the state. In other words, consumers would no longer have a one-stop shopping option for comprehensive health insurance coverage, thereby eliminating a key marketplace for consumers, versus creating more venues through which consumers can enroll in coverage. As discussed below, the AMA believes this would significantly decrease access to, and enrollment in, comprehensive health insurance.

First, allowing access to "multiple, private web-based brokers" as a way to purchase health insurance is not a new option for Georgia residents. In fact, as noted in the waiver proposal, such an option is currently allowed and has been "promoted by guidance as an enrollment pathway." However, only 21 percent of marketplace enrollees used "direct enrollment" or "enhanced direct enrollment" in 2020. As such, the crux of this waiver proposal is the *removal* of a heavily utilized means of purchasing health insurance in the state without adding any new meaningful options. It is reasonable to assume that many of the remaining 79 percent of marketplace enrollees will not make that transition to proactively selecting a new platform, setting up an account with a web-broker and completing new applications. As potential evidence of this, according to the Brookings Institution, in 2020 more than 25 percent of returning Georgia marketplace consumers (approximately 80,000 enrollees) did not respond to HealthCare.gov's

outreach to make an active plan selection and were, therefore, automatically re-enrolled in their plans.<sup>1</sup> Such auto-enrollment would not, at least initially, be possible via private web-based brokers and a more complicated, fragmented system will simply not attract those inclined to passive enrollment.

Second, the AMA is very concerned that the private broker system will fail to recognize and direct Medicaid-eligible individuals to the state Medicaid agency to enroll apply for Medicaid coverage and thus reduce the number of Medicaid enrollees in Georgia. When Medicaid-eligible individuals apply for coverage on HealthCare.gov, both during and outside of open enrollment periods, they are routed to the state Medicaid agency, making it easier for them to apply for Medicaid coverage. Removing access to HealthCare.gov severs an important access point into the Medicaid system for many low-income and vulnerable individuals, children, and families. For example, approximately 38,000 Georgia residents accessed Medicaid coverage this year via HealthCare.gov, and that was just during open enrollment. It should also be noted that the waiver proposal does not offer any incentives for brokers to direct Medicaid-eligible individuals applying for health insurance to the Medicaid agency. In fact, incentives exist for brokers to do just the opposite since they are largely paid on commission. Therefore, instead of enrolling in comprehensive coverage under Medicaid, Medicaid-eligible enrollees could instead be redirected by brokers to more expensive and less comprehensive coverage options, including short-term limited duration insurance (STLDI) plans.

Finally, access to affordable comprehensive coverage will be reduced under the Georgia Access Model as residents are exposed to non-comprehensive plan options, including STLDI, along with ACA-compliant plans. Although the waiver proposal identifies providing Georgia residents with all health insurance options as a way to increase competition and decrease premiums, the AMA believes that the elimination of HealthCare.gov, thereby leaving consumers with the option of being directed to brokers that offer ACA-compliant as well as noncompliant plans, will expose individual enrollees to higher health care costs and broadly increase premiums.

In terms of individual costs, the AMA has serious concerns about the lack of coverage offered by non-comprehensive plans such as STLDI, as these plans may not include benefits such as pharmacy, maternity care, mental health care, rehabilitation services, and preventive care. Additionally, many STLDI plans will not cover costs associated with treatment for preexisting conditions. Even with the best transparency requirements, this lack of coverage will come as a surprise to many when they most need health insurance. Furthermore, because STLDI plans can offer reduced benefits at lower premiums, these plans become attractive to young and healthy individuals, who would otherwise purchase an ACA-compliant plan. The result is smaller risk pools and higher premiums for those purchasing, and in need of, comprehensive health insurance.

For the reasons mentioned above, as well as many others raised by the Medical Association of Georgia and concerned patient and consumer groups, the AMA urges CMS to reject the Georgia Access Model because it will reduce access to comprehensive affordable health insurance in Georgia, thereby increasing the number of uninsured and underinsured.

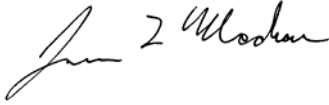
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<sup>1</sup> <https://www.brookings.edu/research/georgias-latest-1332-proposal-continues-to-violate-the-aca/>.

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Thank you for your consideration. If you have any questions, please contact Margaret Garikes, Vice President, Federal Affairs at [margaret.garikes@ama-assn.org](mailto:margaret.garikes@ama-assn.org).

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and a distinct "L" and "M".

James L. Madara, MD