



September 16, 2020

The Honorable Alex M. Azar, II  
Secretary  
Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Washington, D.C. 20201

The Honorable Steven T. Mnuchin  
Secretary  
Department of Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

**Re: Georgia 1332 Waiver Application**

Dear Secretaries Azar and Mnuchin:

The American Cancer Society Cancer Action Network (ACS CAN) appreciates the opportunity to comment on Georgia's Section 1332 waiver proposal. ACS CAN is making cancer a top priority for public officials and candidates at the federal, state and local levels. ACS CAN empowers advocates across the country to make their voices heard and influence evidence-based public policy change as well as legislative and regulatory solutions that will reduce the cancer burden. As the American Cancer Society's nonprofit, nonpartisan advocacy affiliate, ACS CAN is critical to the fight for a world without cancer.

ACS CAN supports a robust marketplace from which consumers can choose a health plan that best meets their needs. Access to health care coverage is paramount for persons with cancer and survivors. Research from the American Cancer Society has shown that uninsured Americans are less likely to get screened for cancer and thus are more likely to have their cancer diagnosed at an advanced stage when survival is less likely and the cost of care more expensive.<sup>1</sup> In the United States, more than 1.8 million Americans will be diagnosed with cancer this year – an estimated 55,190 in Georgia.<sup>2</sup> An additional 15.5 million Americans are living with a history of cancer – 446,900 in Georgia.<sup>3</sup> For these Americans access to affordable health insurance is a matter of life or death.

We offer the following comments on Georgia's proposed section 1332 waiver.

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<sup>1</sup> E Ward et al, "Association of Insurance with Cancer Care Utilization and Outcomes, *CA: A Cancer Journal for Clinicians* 58:1 (Jan./Feb. 2008), <http://www.cancer.org/cancer/news/report-links-health-insurance-status-with-cancer-care>.

<sup>2</sup> American Cancer Society. *Cancer Facts & Figures: 2020*. Atlanta: American Cancer Society, 2020.

<sup>3</sup> American Cancer Society. *Cancer Treatment & Survivorship: Facts & Figures 2019-2021*. Atlanta: American Cancer Society, 2019.

## Part I: Reinsurance Program

ACS CAN supports Georgia's proposed reinsurance program and urges its enactment. A well-designed reinsurance program can help to lower premiums and mitigate the plan risk associated with high-cost enrollees. We note that the waiver anticipates the reinsurance program will reduce premiums by 10.2 percent in plan year 2022.<sup>4</sup> These savings could reduce federal government subsidy payments, and lower premiums for consumers who enroll in coverage through the exchange but are not eligible for subsidies.

Georgia's proposed reinsurance waiver is similar to that adopted in Colorado, which has been shown to reduce premiums. A reinsurance program may encourage insurance carriers to enter the market. A reinsurance program may also encourage plans already in the market to continue offering plans through the exchange. Further, the expected maintenance or increase in plan competition due to the reinsurance program may help to keep premiums from rising. These premium savings could help cancer patients and survivors afford health insurance coverage and may enable some individuals to enroll who previously could not afford coverage – the waiver anticipates increased enrollment of 0.4 percent.<sup>5</sup>

We are pleased that the waiver states that reinsurance program will not impact the comprehensiveness of coverage in Georgia. ACS CAN believes that patient protections in current law – like the prohibition on pre-existing condition exclusions, prohibition on lifetime and annual limits, and Essential Health Benefits requirements – are crucial to making the healthcare system work for cancer patients and survivors.

## Part II: Georgia Access Model

In the second part of its 1332 waiver, Georgia proposes to eliminate healthcare.gov as an enrollment platform for Georgians and transition to an entirely new model, the Georgia Access Model, under which the private sector would provide front-end consumer shopping experiences and operations with the State validating whether an individual is eligible for subsidies and providing those subsidies to plans. Georgia would be responsible for ongoing program management and compliance of participating entities. The State believes this will help to promote competition and improve customer service. We have very serious concerns that this proposal would actually create greater confusion for consumers and potentially lead them to use inadequate coverage.

*Waiver would promote non-QHP coverage:* We are concerned that this proposal would allow private web-brokers to enroll consumers in a wide variety of health insurance products offered by carriers “that are licensed and in good standing with the State” – including non-Qualified Health Plans (QHPs) such as accident supplemental plans, critical illness plans, limited-benefit plans, short-term limited-duration plans, vision and dental.<sup>6</sup> For patients with cancer and cancer survivors, it is crucial to choose a health insurance plan that provides coverage for their unique needs. Cancer patients and survivors must pay particular attention to whether a plan

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<sup>4</sup> Office of the Governor. Georgia Section 1332 Waiver Application. July 31, 2020.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

covers the medications they need, whether their (often multiple) physicians are in-network, whether their treatment center is in-network, and the cost-sharing that will be required of them.

*Waiver would result in enrollee confusion:* Offering QHP coverage alongside non-QHP coverage will be confusing to enrollees. Utilizing healthcare.gov or a similar state-based exchange allows potential enrollees a better opportunity to compare plans that provide a basic set of coverage options. Eliminating healthcare.gov without creating a state-based exchange and relying only on private web brokers, increases the likelihood that healthy consumers could be steered towards non-ACA compliant plans (like short term plans) because they would meet the medical underwriting requirements associated with these plans. Older and sicker individuals – who are less likely to meet the medical underwriting requirements – would enroll in QHPs, thus resulting in a less healthy risk pool for QHP coverage which would lead to higher premiums.

*Waiver fails to articulate how it would lead to higher enrollment:* We are concerned that relying solely on private web-brokers will not lead to higher enrollment. These private web brokers are already permitted to sell ACA-compliant coverage in Georgia, the only change provided under the waiver would be to eliminate healthcare.gov as a viable platform for Georgians searching for health insurance. According to the waiver, in 2019, 79 percent of enrollees in Georgia's marketplace used healthcare.gov and only 21 percent were enrolled via direct enrollment or enhanced enrollment (e.g., web brokers). Thus, we fail to see how the waiver will result in enrollment growth.

*Waiver could suppress Medicaid enrollment:* Healthcare.gov is not only an important resource for individuals shopping for private coverage options, but it also serves as an important screening function in determining whether individuals may be eligible for Medicaid. In the 2020 open enrollment period, nearly 40,000 Georgians were determined to be eligible for Medicaid or CHIP by the Exchange.<sup>7</sup> Private web brokers are not paid a commission for individuals found eligible for Medicaid and thus may not be inclined to inform consumers of their eligibility to enroll in the program. Even a 25 percent reduction in effective Medicaid enrollment could result in 10,000 people losing Medicaid coverage.<sup>8</sup>

*Waiver fails to provide sufficient protection during the transition:* While the waiver claims that an estimated 25,000 individuals would enroll in coverage under the Georgia Access Model, it fails to provide any evidence with which to substantiate this claim. We note that even with the best of intentions, as states transition from one model to another, enrollment often declines as

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<sup>7</sup> Centers for Medicare & Medicaid Services. 2020 Marketplace State-Level Open Enrollment Period Public Use File. Available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Marketplace-Products/2020-Marketplace-Open-Enrollment-Period-Public-Use-Files>.

<sup>8</sup> Christen Linke Young and Jason Levitis, "Georgia's latest 1332 proposal continues to violate the ACA," Brookings Institution, Sept. 1, 2020, <https://www.brookings.edu/research/georgias-latest-1332-proposal-continues-to-violate-the-aca/>.

evidenced by Nevada's recent experience.<sup>9</sup> We are concerned that without adequate patient protections, which are not identified in the draft waiver, individuals in active cancer treatment could lose coverage or experience a gap in coverage. For cancer patients who are mid-treatment, a loss of health care coverage could seriously jeopardize their chance of survival.

### Conclusion

On behalf of the American Cancer Society Cancer Action Network, we thank you for the opportunity to comment on the proposed section 1332 waiver. We strongly support Georgia's proposed reinsurance waiver, which we believe will provide long-term viability of the individual market while not eroding important consumer protections. We have serious concerns with the proposed Georgia Access Model and would discourage CMS from approving this section of Georgia's 1332 waiver. If you have any questions, please feel free to contact me or have your staff contact Anna Schwamlein Howard, Policy Principal, Access and Quality of Care at [Anna.Howard@cancer.org](mailto:Anna.Howard@cancer.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa A. Lacasse". The signature is fluid and cursive, with a long horizontal stroke at the end.

Lisa A. Lacasse, MBA  
President  
American Cancer Society Cancer Action Network

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<sup>9</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/>.