Deloitte briefs state advisory group on health care waiver effort

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Georgia has a high rate of people without health insurance, and it’s statistically below average in quality of health care.

Those shortcomings, state officials say, underscore a clear need to make changes to Georgia’s health insurance systems.

That message was part of a presentation Thursday to a large advisory council formed to offer input on the state’s quest for federal health care waivers.

The advisory group convened in Atlanta to hear Deloitte consultants describe the waiver effort. The federal government can waive certain health system regulations in response to a state proposal, and Georgia has hired Deloitte to help devise its waiver proposals.

As outlined by state legislation enacted this year, the two central waiver categories involve possibly adding members to the state’s Medicaid program, and identifying possible changes to the health insurance exchange rules in Georgia.

Ryan Loke, health care policy adviser to Gov. Brian Kemp, emphasized that the waiver process will not involve a Medicaid expansion as outlined under the Affordable Care Act.

“We are not pursuing that,” Loke said. The state’s Republican leaders have rejected expansion for years as too costly. And Loke noted that the Patients First Act, the legislation that authorizes the waiver requests, does not allow for full Medicaid expansion.

The law, which was pushed hard by the governor, outlines a possible Medicaid change of including people up to 100 percent of the federal poverty level. That’s in contrast with the standard Medicaid expansion level of up to 138 percent of poverty.

Georgia is one of 14 states that have not expanded Medicaid. Democrats have argued that a standard expansion, at 138 percent, would cover more people at a lower cost than the Kemp plan envisions.
The advisory committee, a nonvoting body, consists of about 50 industry officials, legislators, health care policy experts and others. The group, considered almost a “Who’s Who” of health care leaders in the state, will meet at other times during the waiver development process.

Deloitte consultants, in their presentation to the committee, highlighted two other states’ waiver ideas that could get traction here.

Through a so-called 1115 waiver, Utah increased Medicaid coverage to adults up to 100 percent of the poverty level, and introduced requirements for work and “community engagement” by people to get those benefits. (A federal court has struck down Medicaid work requirements in Arkansas and Kentucky.)

Utah received a traditional federal matching rate of 70 percent for those additional Medicaid members, but now seeks to get a 90 percent match – up to now, reserved to states that fully expand Medicaid. It’s also asking for a “per-capita cap” on Medicaid funding.

And Wisconsin obtained federal approval last year for a reinsurance program under a 1332 waiver, to stabilize premiums in the state’s insurance exchange. Wisconsin, one of seven states to get reinsurance approvals, projects average premiums 11 percent lower this year after the waiver OK.

Other individual insurance waiver ideas include adding health savings accounts, creating a different subsidy structure for premium help, and expanding the availability of catastrophic insurance plans, Deloitte said.

Kemp has set a tight timeline for the waiver development, with plans to submit the proposals to the feds by the end of the year. Federal health officials have offered increased flexibility for states to create waiver proposals.

Among the statistics compiled by the Deloitte team:

** Georgia’s uninsured rate of 14.8 percent is much higher than the U.S. average of 10.5 percent, and is fairly similar to that of other states that have not expanded Medicaid. Some counties in Georgia have uninsured rates of 30 percent or more.

** The uninsured rate is higher here than the national average across all age groups.
The state’s overall state health ranking across all measures is 39th. But it is 46th for all clinical care measures.

Seven rural Georgia hospitals have closed since 2010 (the third-highest number in the nation), and 26 such facilities are at risk of closure (also third-highest).

The state’s uninsured population under 100 percent of poverty is 478,000.

Taifa S. Butler, executive director of the Georgia Budget and Policy Institute, said in a statement on the report that “these latest findings show our state continues to fall behind in supporting Georgians’ need for health care access. Across the state, families struggle without affordable options and access to quality care. Georgia faces an opportunity to alleviate this trend. We hope this new information will guide a transparent waiver process that ultimately leads to as many Georgians gaining access to health care as possible.”

In terms of health care financials, Georgia has some low-cost statistics. The average annual premiums for single coverage in Georgia are the fourth-lowest in the U.S. in 2017, according to Deloitte. More than half of Georgians with job-based insurance are in high-deductible plans.

And Medicaid spending, at $420 per member per month, is in the lowest 10 percent of states nationally.

Link to Stakeholder Meeting PP: