December 3, 2019

On behalf of the more than eight million Americans living with psoriasis and psoriatic arthritis, the National Psoriasis Foundation (NPF) appreciates the opportunity to submit comments on Georgia’s Section 1332 Waiver Application to implement the Georgia Access Model. As the patient advocacy organization for the psoriatic disease community for more than 50 years, the NPF is keenly aware of the improvements in health outcomes that have resulted from advances in treatment innovation. Therefore, the NPF remains committed to ensuring beneficiaries with psoriasis and psoriatic arthritis have access to the full range of treatments and therapies necessary to successfully manage their disease.

While NPF supports reinsurance as a tool to stabilize premiums in the individual marketplace, we are concerned that the Georgia Access Model will jeopardize access to quality and affordable healthcare coverage for patients with psoriasis and psoriatic arthritis and other pre-existing conditions. The state’s 1332 waiver fails to satisfy the guardrails in the statutory language of the Affordable Care Act (ACA) and would also put the healthcare coverage of the 450,000 Georgians who currently get their insurance through the state’s marketplace at risk while only potentially expanding coverage for a small fraction (30,000 individuals) of the more than 1.4 million uninsured individuals in Georgia. In its current form, NPF urges Georgia to withdraw its application for the Georgia Access Model. In order to address these complex and serious issues, we request that the state convene a group of stakeholders to discuss solutions to adequately provide affordable and comprehensive healthcare coverage for our patients in Georgia.

State Subsidy Program
Georgia has proposed to create a new state-administered subsidy system to replace the Advanced Premium Tax Credits (APTC) created by the ACA. These subsidies do not meet the affordability needs of patients with psoriatic disease and will be allowed to be used toward the purchase of “eligible non-QHPs,” driving individuals towards enrolling in substandard coverage. The proposal will reduce access to affordable healthcare coverage for patients with psoriasis and psoriatic arthritis and NPF opposes this proposed change.

First, the draft application requests to waive the cost-sharing reduction (CSR) program that helps patients with incomes below 250 percent of the federal poverty level (FPL) to pay deductibles, coinsurance and other cost-sharing required by their health plan. It is unclear whether individuals who currently qualify for CSRs under the ACA will still get this financial assistance under the state-administered subsidy system. CSR payments (often referred to as a subsidy) are a critical aspect to making healthcare affordable for patients. Many health plans often require patients to pay out-of-pocket for healthcare costs in the form of deductibles, copayments and coinsurance. A recent study showed that individuals enrolled in the lowest-tier plan offered in the 2017 exchange averaged more than $6,000 in out-of-pocket expenses. Patients living with psoriatic disease and other chronic illnesses,
especially those treating with biologics, can encounter extremely high prescription drug costs for these therapies. For individuals with low or fixed incomes, these high costs can be an extreme burden.

Additionally, the state has likely underestimated the impact of the Georgia Access Model on premiums in Georgia. Eligible non-QHPs will attract healthier consumers, segmenting the market and increasing the cost of comprehensive coverage. As discussed later in our comments, the loss of Healthcare.gov and the incentives for insurers and brokers selling products outside of an exchange will likely boost enrollment in short-term and other skimpy plans, further undermining the risk pool and destabilizing the market. A substantially greater premium increase would both make QHPs more expensive for individuals who do not qualify for subsidies and also increase the cost of QHP subsidies for the state, meaning that the state’s pool of financial assistance funds would not be able to help as many individuals.

The state subsidy system is significantly under-resourced, which would have serious implications for patients with psoriasis and psoriatic arthritis and other individuals in Georgia. The state has budgeted $13.5 million in the first three years and $5 million thereafter for implementation costs, which seems quite low given the significant investments in new technical and administrative systems needed to operate the Georgia Access Model. Additionally, the state’s contribution to the subsidy fund is just $144 million in 2022, which will not go far if the Georgia Access Model increases premiums as predicted above. This lack of funding is particularly dangerous for patients given the Georgia Access Model’s cap on subsidy funding. Currently, any individual who meets the eligibility criteria for financial assistance for coverage under the ACA receives that financial assistance. However, patients could be placed on a wait list if the state exceeds its capped contribution under the Georgia Access Model.

**Promotion of Substandard Plans**

As mentioned in the previous section, Georgia’s proposal would allow subsidies to be used for QHPs currently offered in the state as well as for “eligible non-QHPs.” This will result in more individuals enrolling in less comprehensive coverage and these decision-making issues may be magnified when the costs and benefits of each option are difficult to evaluate, as in the market for health insurance. That is why transparency around what is being sold, in particular non-QHP and skimpy plans, is critical for Georgian’s to understand the different coverage options they are purchasing.

The draft waiver application does not contain sufficient information about the standards for eligible non-QHPs, particularly what the state means when it says that the plans will maintain protections for people with pre-existing conditions. For example, even if these plans cannot deny coverage to patients with pre-existing conditions, could plans vary premiums based on health status? Protecting patients with psoriasis and psoriatic arthritis and other pre-existing conditions involves much more than guarantee issue; patients need community rating, bans on exclusion periods and condition exclusions, cost-sharing protections, bans on annual and lifetime limits and many other protections currently required for plans sold on the individual market to truly access comprehensive, affordable healthcare coverage.

Other aspects of the standards for these plans are unclear as well. The draft application requests to waive network adequacy requirements. When psoriasis and psoriatic arthritis is successfully managed it is done so as part of an on-going, multi-faceted relationship between the patient, provider and the entire care team. It is essential that patients with serious chronic conditions like psoriatic disease have access to providers without these arbitrary limits on care. Furthermore, our patients already face challenges when attempting to access the necessary specialty care required to manage their disease.
This is particularly true in rural or medically underserved areas of the country and those for whom traveling to a medical appointment is an added obstacle. Unfortunately, research indicates that there are fewer dermatologists practicing in this country than are needed and the distribution of specialists does not align with geographic need. In 2016, 35 percent of dermatology providers practiced in the 100 densest census areas, while fewer than 2 percent practiced in the 100 least dense areas. Additionally, it is unclear how eligible non-QHPs could be part of the single risk pool with current QHPs given how dissimilar these products could be. This would make risk adjustment – a process that discourages plans from cherry-picking heathier individuals by transferring funds from plans with lower risk enrollees to higher risk ones – difficult to implement.

The draft application does clearly state that eligible non-QHPs would not have to cover all ten essential health benefits (EHBs), which are currently required by QHPs. The state claims that eligible non-QHPs will provide 90 percent of the benefits that current QHPs cover. However, the state provides no explanation or analysis to support this assumption. This approach is particularly harmful to patients with psoriasis and psoriatic arthritis who are likely managing comorbidities as a result of their psoriatic disease. As indicated in the joint American Academy of Dermatology (AAD) and NPF guidelines released earlier this year, individuals with psoriatic disease are at a heightened risk of developing a number of comorbid conditions including cardiovascular disease and stroke, diabetes and hypertension, as well as depression and anxiety.

By offering plans that do not cover all EHBs but are still eligible for subsidies, issuers will be able to segment the market and charge lower premiums to healthier individuals for eligible non-QHPs while charging high premiums for patients with pre-existing conditions who need comprehensive coverage. This is a backdoor to discrimination against patients with pre-existing conditions. Many in our community recall all too well the questionable benefits packages that existed prior to the ACA and are not interested in returning to those days.

Enrollment Platform
In addition to administering a state subsidy program, Georgia’s application proposes to no longer use Healthcare.gov for enrollment and instead have people enroll directly through insurers or brokers. This policy will make it harder for patients to enroll in comprehensive, affordable healthcare coverage and NPF opposes this change.

While the state acknowledges that leaving Healthcare.gov would require a detailed transition strategy, NPF fears that many of the 450,000 Georgians who currently purchase coverage through Healthcare.gov would inevitably lose coverage during the transition. Due to the heterogeneous characteristics of this chronic immune-mediated disease, psoriatic disease requires sophisticated medical care. Treatments that work for one person may not work for others, and many patients cycle through numerous accepted treatment options. Without the tools to control their symptoms, people with psoriatic disease cycle through periods of intense pain; fatigue; unbearable itch; whole-body inflammation; flaking and bleeding of large swaths of the skin; and joint degradation. The nature and characteristics of this disease magnifies the critical need for patients to have access to timely and effective treatment options. The state assumes that there will be no coverage losses without any analysis to support that assumption, calling into question whether the Georgia Access Model will truly lead the same or more people to obtain coverage than would without the waiver.

Today, patients with psoriasis or psoriatic arthritis who shop on Healthcare.gov can trust that they are purchasing a health insurance plan that will allow them to manage their health conditions. However,
under the Georgia Access Model, issuers and brokers could sell QHPs alongside other types of plans that discriminate against people with pre-existing conditions and will not cover enrollees’ medical expenses if they get sick. This could create confusion for patients and lead them to purchase coverage that does not meet their needs. There is already evidence of misleading marketing related to short-term and other skimpy plans leading individuals to unwilling enroll in coverage that lacks key patient protections. This problem would likely worsen in Georgia under this proposal.

Healthcare.gov shows consumers all QHPs available in their area and does not favor certain plans over others. However, brokers who would be helping individuals through the enrollment process under the Georgia Access Model would not have to show individuals all of their plan options and may receive larger commissions for certain plans over others that influence their recommendations to patients. Increasing the reliance on insurers and brokers will limit the ability of patients with psoriatic disease to compare plan price and benefit design in an unbiased manner to choose the right plan for them and could ultimately result in harm to patients who become enrolled in sub-standard or inadequate insurance coverage that does not meet their needs. This failure to appropriately shield patients from risk is unacceptable.

In its current form, NPF opposes this waiver proposal. Instead, we urge Georgia to focus on solutions that promote adequate, affordable and accessible coverage without jeopardizing access to care for patients with psoriatic disease and other pre-existing conditions. In order to address these complex and serious issues, we request that the state convene a group of stakeholders to discuss solutions how to adequately provide affordable and comprehensive healthcare coverage for our patients in Georgia.

We appreciate your consideration of our comments. If you or your colleagues have any questions, please feel free to contact the NPF by reaching out to Matthew Moran, Federal Government Relations & Health Policy Manager at mmoran@psoriasis.org.

Sincerely,

Patrick Stone Vice President, Government Relations & Advocacy

1 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.
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