Sen. David Perdue

(R-GA)

The National Association of Health Underwriters is the leading professional association for health insurance agents, brokers, general agents and consultants. NAHU members work every day with individuals, families and employers of all sizes to help them purchase health insurance coverage and use that coverage in the best possible way. We are a dedicated group of more than 100,000 benefits specialists across the nation who advocate on behalf of our clients – American health insurance consumers. The professional health insurance agent and broker community looks forward to the potential opportunities of working toward healthcare insurance stability. To make the healthcare insurance market more efficient and more responsive to American employers and individual health consumers, we would like to respectfully recommend the following items:

Market Stabilizers to Reduce Cost and Improve Individual and Employer Market Risk Pools

- **Individual Market**
  - Tighten both the open-enrollment and special enrollment periods to reduce adverse selection, and require documentation relative to special-enrollment-period eligibility.
  - Reduce the number of special enrollment opportunities due to lifestyle changes.
  - Reduce the 90-day grace period for nonpayment of premium for individuals receiving premium tax credits to the same 30-day grace period for other covered individuals.
  - Allow tax credits to be used outside of the Marketplace if fewer than two choices are offered in a state.
  - Allow any person to purchase catastrophic-category coverage regardless of age or income status.
  - After a newly established, extended open-enrollment period of several months, open enrollment can then be at any time for those who experience lifestyle changes as long as they have not gone more than 60 days without coverage. Those who have exceeded 60 days would be subject to a late-enrollment penalty and delayed enrollment effective date, similar to the penalties for Medicare Part B, for a five-year period.
- **Individual and Employer-Based Market**
  - Increase flexibility for HSAs. For example, once other market stabilizers are in place, allow contributions equal to the out-of-pocket maximum and a limited number of office visits to be covered before the deductible each year. Other important changes could also be included but should be considered after other market-stabilization mechanisms are in place.
- **Employer- Based Market**
  - **Preserve the Employer Exclusion**
    - The employer-sponsored health insurance system provides private-sector, market-based coverage for more than 175 million Americans, including those covered by unions. Eliminating the exclusion would be detrimental to the stability of the employer-based market and would negatively affect middle-class Americans.

State Controls

- **Age Rating Bands**
  - Allow states to regulate their markets by allowing them to modify age-rating rules for their individual and small-employer markets. Create a fallback level for rating rules of 5:1 if a state does not actively elect another formula or does not elect to retain a 3:1 rating.
- **Allow states to be eligible for funding for new hybrid high-risk pools.**
  - The new pools would not issue coverage but would be available as a reinsurance mechanism to insure risk above certain levels for high-risk individuals who were enrolled after going longer than 60 days without coverage.

Taxes and Other Repeals

- **Repeal the Excise/Cadillac Tax (S. 58 and H.R. 173), Health Insurance Tax (H.R. 246) and all other ACA taxes.**
- **Repeal the medical loss ratio requirement.**
  - Lifting the restriction that 80% of premium dollars must be spent on medical costs and 20% on administrative costs will provide relief to health insurance carriers struggling to meet the current restrictions, allowing for more product innovation in benefit designs, which will result in lowering premium costs and encouraging carriers to remain in the health insurance market.

For more information, please contact John Greene, Vice President of Congressional Affairs, at jgreene@nahu.org

Health Reform at a Glance
Georgia

Overview

Georgia largely defaulted to HHS to implement health reform in the state. It defaulted to the federally facilitated marketplace (FFM) and did not adopt the Medicaid expansion. Although Georgia opposed federal health reform, Governor Deal expressed support for a free market-based approach that could serve as a useful tool for Georgia's small businesses and welcomes alternatives to Medicaid expansion.

Health Insurance Status

Estimates from the 2015 American Community Survey indicate that 1,388,400 million individuals, or 13.9% of the state's population, were uninsured. An estimated 46% of Georgians received insurance through their employer, 6% on the individual market, 19% through Medicaid and 13% through Medicare. The level of employment correlated with the uninsured rate, with 13.1% of full-time employees not covered, compared with 27% of part-time employees not covered. The state is tied for the third highest uninsured rate nationally and has a below average rate of employer-sponsored coverage.

Rate of Uninsured	
13.9%	Overall
19.4%	Ages 18-64
15.6%	Employed
40.9%	Unemployed

Marketplace/Exchange Implementation

Georgia initially considered operating its own state-based exchange, but opted in late 2012 to default to the FFM model. Governor Nathan Deal cited the lack of state autonomy in the marketplace but noted that it could reconsider its decision in the future.

Type of Marketplace	
	State-based
	Partnership
✔	Default to FFM/E

Medicaid Expansion

Georgia decided in August 2012 that it would not be expanding its Medicaid program, citing program costs.

The 2017 Medicaid-eligibility threshold in Georgia was 37% of the Federal Poverty Level, among the lowest eligibility thresholds nationally. This is equivalent to roughly $4,395.6 for an individual and $8,991 for a family of four. Without the expansion, individuals earning less than 138% of FPL and excluded from the state's Medicaid program would be exempt from the individual responsibility requirement (individual mandate). Of the 2,463,623 million residents in the state who earn less than 138% of FPL, 645,578 (26.2%) lack insurance coverage. An estimated 684,000 residents could be newly eligible for Medicaid under the expansion.

Medicaid Expansion	
	Will Expand
✔	Will Not Expand
	Undecided

2017 Maximum Medicaid Eligibility Levels (parents)	
37%	FPL Eligibility Max
$4,395.6	Individual
$8,991	Family of 4

State Regulations

Prior to the 2014 reforms, Georgia did not regulate premium variation in the individual market but allowed for premium variation of +/- 25% of the index rate in the small-group market.

According to the Council for Affordable Health Insurance, Georgia had 43 health insurance benefit mandates as of 2012.

Pre-2014 Rating Structure
Individual: No Regulations Small Group: +/- 25%

About NAHU

The National Association of Health Underwriters represents more than 100,000 professional health insurance agents and brokers who provide insurance for millions of Americans. According to Georgia's Insurance Department there are 38,593 health agents within the state.