Using 1332 Waivers to Address Obesity/Social Determinants

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“The number one thing state insurance regulators can do [to address health disparities] is address obesity.”

- Dr. Mark Fendrick, MD; NAIC Race and Insurance Workstream 5 call, November 21, 2022
Patients living with obesity are at an increased risk of developing weight-related comorbidities. The beside list is not exhaustive and is intended to illustrate only a range of key complications.

- Migraines, Depression, Pseudotumor cerebri, Obstructive sleep apnea
- Chronic obstructive pulmonary disease, Asthma
- Nonalcoholic fatty liver disease
- Type 2 diabetes mellitus, Metabolic syndrome
- Polycystic ovarian syndrome
- Venous stasis disease
- Cardiovascular disease, Hypertension
- Dyslipidemia
- Gastroesophageal reflux disease
- Cancer (various)
- Stress urinary incontinence
- Knee and hip osteoarthritis
- Gout
Obesity and Communities of Color

Obesity is more prevalent in communities of color than in non-Hispanic white Americans. \(1.3 \times\) more likely for Black Americans and \(1.2 \times\) more likely for Hispanic Americans.

4 out of 5 Black or Hispanic American women have obesity or overweight.

Social Determinants of Health

- Access to healthy food and places to exercise
- Access to medical care/affordable insurance
- Employment in lower wage jobs

Health inequities and higher obesity rates may have contributed to the disparate impact of COVID-19 in communities of color.

Sources:
Obesity Coverage Under the ACA

Source: ASMBS Access to Care Toolkit www.asmbs.org
Using 1332 Waivers to Address Obesity
Section 1332 Waiver Options: Key Questions for States

• What is the ACA statutory provision to be waived (i.e., replaced by the state plan)?

• Will the waiver meet the statutory guardrails (coverage, comprehensiveness, affordability, deficit neutrality)?

• How will any pass-through funds be calculated, and what are the likely funding levels?

• Will the waiver require a commitment of state funding?

• Are there opportunities to coordinate/align the waiver with other programs?
Section 1332 Waiver Option: “Hybrid” Reinsurance/EHB Waiver

- Waive the definition of Essential Health Benefits (EHB) to require issuers to cover the full range of obesity treatments, including anti-obesity medications (AOMs)

- Pair the EHB waiver with a new or existing state reinsurance program, directing a portion of the reinsurance pass-through funding to offset increased costs from obesity treatment and AOM coverage

- Set a target savings amount (e.g., a small percentage of premium) associated with improving obesity-related healthcare costs (e.g., reduced claims for stents, joint replacements, etc) to trigger pass-through funding

- Evaluate the impact over the term of the waiver (up to 5 years)
Section 1332 Waiver Option: Complex Care Plans

• Create specialized plans designed to improve care and access for individuals with obesity

• Waive the definition of Qualified Health Plans (QHP) to create “state complex care plans”
  • State-authorized coverage options made available to individual market enrollees with specific chronic conditions or complex care needs
  • May also waive the definition of single risk pool (like an “invisible high-risk pool” approach)

• Complex care plans could include enhanced benefits targeted for people with obesity or with certain BMIs; enrollment would be voluntary

• Provide opportunity for intensive case management and targeted care focusing on preventive care and effective treatments for obesity
Questions