



August 7, 2019

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Amendment to Centennial Care 2.0 Section 1115 Demonstration Waiver

Dear Secretary Azar:

Thank you for the opportunity to submit comments on New Mexico's proposed amendment to Centennial Care 2.0 Section 1115 Demonstration Waiver.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what individuals need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge the Department of Health and Human Services (HHS) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Several 1115 waiver proposals submitted to and approved by the Centers for Medicare and Medicaid Services (CMS) in recent months have jeopardized patients' access to quality and affordable healthcare coverage.¹ As many of our organizations argued in comments to CMS in January 2018, New Mexico's current waiver threatens access to healthcare by creating financial and administrative barriers that could lead patients with serious, acute and chronic conditions to lose their healthcare coverage.² The state's own estimates suggested that approximately 700,000 beneficiaries would be impacted by the implementation of premiums and copayments.

Our organizations are committed to ensuring that Medicaid provides adequate, affordable and accessible healthcare coverage. Our organizations strongly support the proposals outlined in the

amendment to New Mexico's existing Centennial Care 2.0 Section 1115 demonstration. This coverage will help patients access medications to manage chronic conditions, access preventive services like cancer screenings and receive many other treatments needed to stay healthy.

We commend New Mexico's decision to delay implementation of various provisions and seek changes to the waiver terms to improve and advance healthcare for Medicaid recipients in New Mexico. Our organizations urge HHS to approve the following provisions of New Mexico's 1115 waiver amendment to improve patients' access to quality and affordable healthcare.

Eliminating Premiums

New Mexico's current waiver would allow the state to charge premiums in the Medicaid program and lock individuals out of coverage for three months for failure to pay these premiums, policies that would both increase the number of enrollees who lose Medicaid coverage and discourage eligible people from enrolling in the program.³ When Oregon implemented a premium in its Medicaid program, with a maximum premium of \$20 per month, almost half of enrollees lost coverage.⁴ For individuals with serious and chronic conditions, maintaining access to comprehensive coverage is vital to ensure they continue to maintain access to their physicians, medications and other treatments and services they need.

Indiana also implemented premiums in a previous waiver demonstration. The evaluation report⁵ from the waiver demonstration found that over half of Medicaid enrollees failed to make at least one payment. The report also found that 29 percent of Medicaid eligible individuals either never enrolled because they did not make a payment or were disenrolled for failure to make payments. Coverage losses on this scale, especially for patients needing access to life-saving and life-sustaining treatment, would be dire. For example, if a patient with cancer had to stop treatment for failure to pay a premium, he or she could face a more advanced disease with potential deadly consequences.

Ultimately, premiums create significant barriers for patients that jeopardize their access to needed care. Our organizations are pleased with New Mexico's decision to eliminate premiums for the adult expansion population and remove the three-month lock-out period. We urge HHS to approve this policy change as part of the amendment request to the Centennial Care 2.0 Section 1115 demonstration.

Eliminating Copayments

The Centennial Care 2.0 1115 waiver currently allows New Mexico to impose cost-sharing on enrollees for non-emergency use of the hospital emergency department and non-preferred prescription drugs. This policy, if implemented, could deter people from seeking necessary care during an emergency or from filling a prescription for a needed medication. Delays in care could have harmful impacts on the short- and long-term health of individuals with serious, acute and chronic diseases.

People should not be financially penalized for seeking lifesaving care for a breathing problem, a heart attack, hyperglycemia, complications from a cancer treatment or any other critical health problem that requires immediate care. When people do experience severe symptoms, they should not try to self-diagnose their condition or worry that they can't afford to seek care. Instead, they must have access to quick diagnosis and treatment in the emergency department.

Evidence suggests cost-sharing may not result in the intended cost savings.⁶ Research demonstrates that low-income individuals served by Medicaid are more price sensitive compared to others, more likely to go without needed care, and more likely to experience long-term adverse outcomes. A study of

enrollees in Oregon's Medicaid program demonstrated that implementation of a copay on emergency services resulted in decreased utilization of such services but did not result in cost savings because of subsequent use of more intensive and expensive services.⁷ This provides further evidence that copays may lead to inappropriate delays in needed care.

Our organizations support the elimination of the previously approved co-payments for non-exempt Centennial Care beneficiaries to help patients to access care when needed.

Reinstating Retroactive Eligibility

The Centennial Care 2.0 1115 Waiver as previously approved phases out the three-month retroactive eligibility policy for non-pregnant adults over a two-year timeframe. Medicaid enrollment and re-enrollment can be difficult to navigate. Individuals may not be aware that they are eligible for Medicaid until they go to see their doctor, pick up a prescription or experience a health emergency. Retroactive eligibility allows Medicaid to cover patient costs prior to enrollment if patients met eligibility criteria during that time. The three-months of retroactive coverage can prevent patients from going into bankruptcy when diagnosed with a costly illness. For example, when Ohio was considering a change to retroactive coverage in 2016, a consulting firm advised the state that hospitals could accrue as much as \$2.5 billion more in uncompensated care as a result of the waiver.⁸ Patients should not be left to choose between massive medical bills and treating their illness.

Our organizations request that HHS approve the reinstatement of New Mexico's retroactive eligibility for non-pregnant adults. This change will help to ensure access to care for the patients we serve.

Our organizations believe healthcare should be affordable, accessible and adequate. Therefore, we urge HHS to support the proposed amendment to the Centennial Care 2.0 Section 1115 demonstration, as the changes will enhance New Mexico's Medicaid program and provide healthcare to individuals most in need. Thank you for reviewing our comments. Our organizations appreciate the opportunity to provide feedback on this application.

Sincerely,

ALS Association
American Heart Association
American Liver Foundation
American Lung Association
Chronic Disease Coalition
Hemophilia Federation of America
Leukemia & Lymphoma Society
March of Dimes
National Hemophilia Foundation
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation

CC: The Honorable Seema Verma, Administrator,
The Centers for Medicare and Medicaid Services

¹ American Lung Association, A Coordinated Attack: Reducing Access to Care in State Medicaid Programs, July 2018. Accessed at <http://www.lung.org/assets/documents/become-an-advocate/a-coordinated-attack.pdf>.

² Health Partner Comments to CMS Re: Centennial Care 2.0 1115 Waiver Renewal Application, January 30, 2018. Accessed at: <https://www.lung.org/assets/documents/advocacy-archive/partner-comments-to-cms-re-centennial-care-1115-waiver-renewal.pdf>.

³ Artiga, Samantha, Petry Ubri and Julia Zur. The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings. Kaiser Family Foundation. June 1, 2017. Accessed at: <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>

⁴ Id.

⁵ The Lewin Group, Health Indiana Plan 2.0: POWER Account Contribution Assessment (March 31, 2017). Accessed at: <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-POWER-acct-cont-assesmnt-03312017.pdf>

⁶ See for example: Chernew M, Gibson TB, Yu-Isenberg K, Sokol MC, Rosen AB, Fendrick AM. Effects of increased patient cost sharing on socioeconomic disparities in health care. *J Gen Intern Med*. 2008. Aug; 23(8):1131-6. Ku, L and Wachino, V. "The Effect of Increased Cost-Sharing in Medicaid: A Summary of Research Findings." Center on Budget and Policy Priorities (July 2005), available at <http://www.cbpp.org/5-31-05health2.htm>.

⁷ Wallace NT, McConnell KJ, et al. How Effective Are Copayments in Reducing Expenditures for Low-Income Adult Medicaid Beneficiaries? Experience from the Oregon Health Plan. *Health Serv Res*. 2008 April; 43(2): 515–530.

⁸ Virgil Dickson, "Ohio Medicaid waiver could cost hospitals \$2.5 billion", *Modern Healthcare*, April 22, 2016. (<http://www.modernhealthcare.com/article/20160422/NEWS/160429965>)