August 2, 2019

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

Re: Iowa Wellness Plan Section 1115 Demonstration Extension Application

Dear Secretary Azar:

Thank you for the opportunity to submit comments on Iowa's Section 1115 Demonstration Extension Application.

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.

Our organizations are committed to ensuring that Iowa provides adequate, affordable and accessible healthcare coverage. Our organizations strongly support the extension of Iowa's Medicaid expansion, which covers over 155,000 low-income individuals and families in the state.[1] This coverage helps patients access medications to manage chronic conditions, preventive services like cancer screenings, and many other treatments needed to stay healthy. Our organizations therefore urge HHS to approve an extension of Iowa's Medicaid expansion. We also offer the following comments on additional policies in Iowa's extension proposal that could jeopardize patients' access to care.

Medicaid Expansion

Medicaid expansion helps patients with serious and chronic illnesses access the comprehensive healthcare coverage that they need to manage their conditions and stay healthy. This coverage includes essential health benefits like emergency care, hospitalizations and prescription drugs. Individuals also receive access to important preventive services like tobacco cessation treatment and cancer screenings at no cost.

The evidence is clear that Medicaid expansion has important health benefits for patients and consumers.[2] For example, research has found an association between Medicaid expansion and early stage cancer diagnosis, when cancer is often more treatable.[3] Medicaid expansion states have experienced increased utilization of prescription drugs, especially for patients with diabetes and cardiovascular disease.[4] This will help patients manage their conditions and avoid more expensive care in emergency departments and hospital settings. Medicaid expansion is associated with improvements in quality measures, including those for asthma management, BMI assessment and hypertension control, at federally qualified health centers, critical healthcare providers for low-income patients.[5] Medicaid expansion is also playing an important role in addressing health disparities; one recent study found that states that expanded Medicaid under the ACA eliminated racial disparities in timely treatment for cancer patients.[6]

Medicaid expansion also improves the financial well-being of individuals and communities. An evaluation of Medicaid expansion in Ohio found that enrollees are less likely to have medical debt than their non-enrolled counterparts.[7] Additionally, Medicaid expansion has helped state economies and has been associated with a reduced risk of hospital closures, especially in rural areas.[8] Once again, our organizations strongly support the extension of Iowa's Medicaid expansion.

Cost-Sharing

Under Iowa's current demonstration and proposed extension, individuals with incomes over 50 percent of the federal poverty level ($889 per month for a family of three) are required to pay premiums if they do not complete a healthy behaviors requirement after their first year of coverage, and individuals with incomes over 100 percent of the federal poverty level (1,778 per month for a family of three) could lose their Medicaid coverage if they fail to pay these premiums. Research has shown that even relatively low levels of cost-sharing for low-income populations limit the use of necessary healthcare services.[9]

Additionally, our organizations are concerned that, instead of incentivizing healthy behaviors, these requirements will create confusion and reduce coverage for individuals in need of care. The quarterly monitoring reports that Iowa has submitted under its current demonstration show that thousands of individuals have lost coverage due to failure to pay premiums, information that the state should have included in its new application. Ensuring that Medicaid enrollees have access to comprehensive health coverage that includes all of the treatments and services that they need to live healthy lives would likely be a more effective approach to improving health of Iowa's Medicaid enrollees without jeopardizing their access to care.

Retroactive Coverage

Iowa has also requested to extend its current waiver limiting retroactive coverage for most populations to 30 days. Retroactive eligibility in Medicaid prevents gaps in coverage, by covering individuals for up to 90 days (or quarter of the year) prior to the month of application, assuming the individual is eligible for Medicaid coverage during that time frame. It is common that individuals are unaware they are eligible

for Medicaid until a medical event or diagnosis occurs. Retroactive eligibility allows patients who have been diagnosed with a serious illness, such as cancer or heart disease, to begin treatment without being burdened by medical debt prior to their official eligibility determination.

Medicaid paperwork can be burdensome and often times confusing. A Medicaid enrollee may not have understood or received a notice of Medicaid renewal and only discovered the coverage lapse when picking up a prescription or going to see their doctor. With a shorter period of retroactive eligibility, Medicaid enrollees could face substantial costs at their doctor's office or pharmacy. For example, when Ohio was considering a similar provision 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.[10] Patients should not be left to choose between massive medical bills and treating their illness.

Non-Emergency Medical Transportation

Iowa has also requested to extend its waiver to eliminate Non-Emergency Medical Transportation (NEMT) benefits. Low-income patients may not own a car and may lack access to reliable public transportation, especially in rural areas. Removing this benefit will therefore harm patients who need to attend regular visits with their providers to manage their medications and treatments. For example, one study found patients with asthma, hypertension or heart disease who needed multiple visits to a medical professional more likely to keep their appointments if they had NEMT.[11] Iowa should reinstate the NEMT benefit so that patients in Iowa's Medicaid are able to keep appointments to manage their conditions and stay healthy.

Budget Neutrality

Iowa does not include a budget neutrality estimate in its application, even though a Section 1115 demonstration extension is required to include "an estimate of the expected increase or decrease in annual enrollment, and in aggregate expenditures" by 42 CFR 431.412.[12] The intent of this section of the regulations is to allow the public to comment on a Section 1115 proposal with adequate information to assess its impact. CMS should work with Iowa to obtain complete information about the impact of extending the waiver on beneficiaries and federal spending, including the impact of provisions related to cost-sharing, retroactive coverage and NEMT, and to share this information with the public.

Our organizations urge HHS to approve an extension of Iowa's Medicaid expansion and remove policies related to cost-sharing, retroactive coverage and NEMT that create barriers to care for patients. Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association
American Lung Association
Arthritis Foundation
Chronic Disease Coalition
Cystic Fibrosis Foundation
Epilepsy Foundation
Hemophilia Federation of America
Leukemia & Lymphoma Society
Lutheran Services in America

March of Dimes
National Alliance on Mental Illness
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation
The ALS Association
The American Liver Foundation

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

---

[1] Kaiser Family Foundation, "Medicaid Expansion Enrollment" September 2017. Accessed at: https://www.kff.org/health-reform/state-indicator/medicaid-expansion-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

[2] Larisa Antonisse, Rachel Garfield, Robin Rudowitz and Samantha Artiga, "The Effects of Medicaid Expansion under the ACA: Updated Findings from a Literature Review." Kaiser Family Foundation. March 28, 2018. Accessed at: https://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-march-2018/

[3] Aparna Soni, Kosali Simon, John Cawley, Lindsay Sabik, "Effect of Medicaid Expansions of 2014 on Overall and Early-Stage Cancer Diagnoses", American Journal of Public Health 108, no. 2 (February 1, 2018): pp. 216-218. Available at http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.304166.

[4] Ghosh, Ausmita, Simon, Kosali and Sommers, Benjamin D., (2017), The Effect of State Medicaid Expansions on Prescription Drug Use: Evidence from the Affordable Care Act, No 23044, NBER Working Papers, National Bureau of Economic Research, Inc, https://EconPapers.repec.org/RePEc:nbr:nberwo:23044

[5] Megan B. Cole, Omar Galárraga, Ira B. Wilson, Brad Wright, and Amal N. Triveldi. "At Federally Funded Health Centers, Medicaid Expansion Was Associated With Improved Quality Of Care," Health Affairs 36, no. 1 (January 2017): pp. 40-48. Available at https://www.healthaffairs.org/doi/pdf/10.1377/hlthaff.2016.0804.

[6] American Society of Clinical Oncology, "Racial Disparities in Access to Timely Cancer Treatment Nearly Eliminated in States with Medicaid Expansion." American Society of Clinical Oncology Annual Meeting. June 2, 2019. Access at: https://www.asco.org/about-asco/press-center/news-releases/racial-disparities-access-timely-cancer-treatment-nearly

[7] Ohio Department of Medicaid, *2018 Ohio Medicaid Group VII Assessment: Follow-Up to the 2016 Ohio Medicaid Group VIII Assessment*, August 2018. Accessed at: http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf.

[8] Richard Lindrooth, Marcelo Perraillon, Rose Hardy, and Gregory Tung, "Understanding the Relationship Between Medicaid Expansions and Hospital Closures," Health Affairs 27, no. 1 (January 2018): pp. 111-120. Available at https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2017.0976.

[9] Samantha Artiga, 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 2017, https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/.

[10] Virgil Dickson, "Ohio Medicaid waiver could cost hospitals $2.5 billion", Modern Healthcare, April 22, 2016. (http://www.modernhealthcare.com/article/20160422/NEWS/160429965)

[11] Michael Adelberg and Marsha Simon, "Non-Emergency Medical Transportation: Will Reshaping Medicaid Sacrifice An Important Benefit?" Health Affairs, September 20, 2017. Accessed at: https://www.healthaffairs.org/do/10.1377/hblog20170920.062063/full/

[12]42 CFR § 431.412 - Application procedures. Legal Information Institute, Cornell Law School. Accessed at: https://www.law.cornell.edu/cfr/text/42/431.412