May 13, 2016

Healthy Ohio Program 1115 Demonstration Waiver
Bureau of Health Plan Policy
Ohio Department of Medicaid
50 W Town St., 5th Floor
Columbus OH 43215

Re: Comment on the "Healthy Ohio" Waiver Request of the Ohio Department of Medicaid

The Ohio Consumers for Health Coverage respectfully submits the following comments to the Ohio Department of Medicaid in response to its Healthy Ohio waiver request.

Ohio Consumers for Health Coverage (OCHC) is a coalition uniting the consumer voice with the goal of achieving affordable, high quality health care for all. OCHC, with a leadership team of 22 consumer organizations,[1] combines the forces of tens of thousands of health care consumers. Our organizational membership is diverse, representing those with illness and those in good health, those who are insured and those who are uninsured, those with resources, and those of limited means.

I. The Healthy Ohio waiver request Does Not Meet Criteria Established by the Department of Health and Human Services for Approval of a Waiver Request.

The Centers for Medicare and Medicaid Services (CMS) uses the following criteria when evaluating 1115 demonstration applications:

[1] *Ohio Consumers for Health Coverage is a nonpartisan coalition uniting the diverse consumer voice with the goal of achieving affordable, high quality health care for all. Our membership includes Alliance for Retired Americans in Ohio, American Cancer Society Cancer Action Network, Center for Closing the Health Gap, Contact Center, EquitasHealth (Ohio AIDS Coalition), Faith Community Alliance of Greater Cincinnati, Legal Aid Society of Southwest Ohio, National Alliance on Mental Illness of Ohio, National Multiple Sclerosis Society Ohio Chapters, Ohio Asian American Health Coalition, Ohio Citizen Advocates for Addiction Recovery, Ohio Council of Churches, Ohio Federation of Teachers, Ohio Olmstead Task Force, Ohio Poverty Law Center, Progress Ohio, Service Employees International Union District 1199, Stonewall Columbus, Toledo Area Jobs with Justice and Interfaith Worker Justice Coalition, Urban Minority Alcoholism and Drug Abuse Outreach Program (UMADAOP Cincinnati), United Food and Commercial Workers Local 1059, UHCAN Ohio.* www.uhcanohio.org

1. The proposed program increases and strengthens overall coverage of low-income individuals.
2. The proposed program increases access to, stabilize and strengthens providers and provider networks available to serve Medical and low-income populations.
3. The proposed program improves health outcomes for Medicaid and other low-income populations.
4. The proposed program increases the efficiency and quality of care for Medicaid and other low-income populations through initiatives to transform service delivery networks.

The Healthy Ohio program fails to address any of the above criteria under which a waiver request could be approved. The Healthy Ohio program will reduce the number of people covered; cause declines in the health outcomes of low-income populations; and decrease the efficiency of care for the Medicaid population.

1. The Healthy Ohio program will reduce the number of people covered

According to Ohio Department of Medicaid, the premiums would lead to a reduction of 126,000 individuals in the first year, as a result of people electing not to enroll. Other estimates are even higher (See discussion below in Section 3). Premiums for those with Medicaid create financial burdens on those least able to afford them. The U.S. Department of Health and Human Services (HHS) published research findings in July 2015 that found increased costs make it harder for poor families to access needed health care and maintain coverage. Key findings include: (a) Low-income individuals are especially sensitive to increases in medical out-of-pocket costs; (b) Modest co-payments can have the effect of reducing access to necessary medical care; (c) Medical fees, premiums, and co-payments could contribute to the financial burden on poor adults who need to visit medical providers.[2]

2. The proposed program will de-stabilize provider networks available to serve Medical and low-income populations.

In Ohio access to providers who accept Medicaid is particularly difficult. Even with strong managed care penetration many Medicaid enrollees have difficulty securing a primary care physician. The stability of these managed care networks is based on patient volume and the certainty of Medicaid payment, since the amount of Medicaid payment per patient falls short of commercial payment expectations. The requirement that Medicaid enrollees pay a monthly premium will undoubtedly lead to a reduced enrolled population, reducing provider income.

[2] Office of the Assistant Secretary for Planning and Evaluation, "Financial Condition and Health Care Burdens of People in Deep Poverty," United States Department of Health and Human Services, July 16, 2015 at https://aspe.hhs.gov/basic-report/financial-condition-and-health-care-burdens-people-deeppoverty

Moreover, those most likely to sacrifice other bills in order to pay the Medicaid premium will be those with chronic illness, who by virtue of their condition require more intensive physician resources. In addition there will be an increased administrative challenge of ascertaining whether patients remain covered by Medicaid. The decrease in covered patients together with the increased resource inputs required by sicker patients and the increase in administrative burden can only de-stabilize the network of providers.

3. The proposed Healthy Ohio program will worsen health outcomes for Medicaid and other low-income populations.

As discussed above, the system of required premiums payments will result in a significant loss of Medicaid coverage in Ohio. Loss of healthcare coverage leads to inability to get effective healthcare and poor health.[3] The "churn" that would significantly increase under Healthy Ohio is the movement of individuals and families in and out of Medicaid, as family finances are strained and recipients are unable to afford premiums and maintain coverage. People who miss two premium payments will be locked out of the program until they pay what they owe and re-enroll. This lack of continuous coverage will lead to discontinuity of care. The Health Policy Institute of Ohio reported that sustained eligibility - like that fostered under Ohio's current Medicaid expansion and Covered Families and Children program- leads to better utilization of health care and better health outcomes for Medicaid enrollees. When enrollees were able to maintain their eligibility ('fully enrolled'), their outcomes were better, their costs were lower, and ED utilization went down.[4] According to a 2013 study in the Journal of Health Economics, any premium - from virtually zero to $10 - will cause churning of between 12 - 15 percent of the population at any given time.[5] Given that more than a million Ohioans would be subject to the "Healthy Ohio" plan, it may be assumed that up to 150,000 enrollees will drop in and out of enrollment. The lock-out will make it harder to re-enroll and the increased churning will be detrimental to the health of recipients.

4. The proposed program will not increase the efficiency and quality of care for Medicaid enrollees or other low-income populations by transforming service delivery networks.

[3] The Uninsured A Primer 2013 – 4: How Does Lack of Insurance Affect Access to Health Care? http://kff.org/report-section/the-uninsured-a-primer-2013-4-how-does-lack-of-insurance-affect-access-to-health-care/

[4] Health Policy Institute of Ohio, "Medicaid Basics 2015 at http://www.healthpolicyohio.org/wp-content/uploads/2016/03/MedicaidBasics_2015_Final.pdf.

[5] Laura Dague, "The effect of Medicaid premiums on enrollment: A regression discontinuity approach," Journal of Health Economics 37 (2014) 1-12.

Not only is there nothing in this proposal that would improve efficiency or quality of care for Medicaid enrollees, this request subverts both efficiency and quality by increasing churn. In the previous section we talked about the anticipated turnover of Medicaid recipients as they get behind in their premium payments and lose coverage. Churn disrupts the improvement of quality by constantly changing the pool of enrollees against whom quality must be measured. If persons with diabetes should get an eye exam each year, and many in the pool of enrollees are leaving the pool due to their inability to catch up missed payments, how will the provider offer them an eye exam, or confirm that they had one.

Churn decreases efficiency as the average number of "touches" per Medicaid recipient increases with no corresponding increase in revenue. The health plans will have to repeatedly verify whether a patient's Medicaid "Buckeye Account" is up to date. The Ohio Department of Medicaid will be repeatedly issue notices of lack of payment, expiration of grace period, termination of Medicaid, and re-enrollment in Medicaid.

For the families in the Healthy Ohio program, the bureaucratic challenges and unnecessary complexity make the program an inefficient way to provide coverage. Core and non-core funding, incentive points, and rules around who can pay the premium all create complexities that will make it challenging to use Medicaid coverage. Health insurance literacy is a key issue for many insured. Many do not understand concepts like preventive services and out-of- pocket cost. The ODM is silent as to how those affected will be educated and supported to understand and manage the Healthy Ohio program.

The only possible benefit to Medicaid recipients of the Healthy Ohio waiver is that an extremely small percentage of recipients who obtain employment, and who do not use all of the funds in their Buckeye Account, can then roll over those funds to assist with cost sharing in an employer-sponsored plan. The suggestion, however, that a Healthy Ohio Bridge Account will decrease churn back into Medicaid from private health insurance coverage, and increase the proportion of Ohio residents covered by employer-sponsored insurance or market coverage, shows a lack of understanding of Ohio's current labor market and ignores information from the 2016 Ohio Medicaid Assessment Survey.

The Ohio Medicaid Assessment Survey, a study of the movement between public and private insurance, found that, of the new Medicaid enrollees working in 2015, only 5.7% were eligible for an employer-sponsored program. Most Ohio enrollees who previously had private insurance lost coverage when they became unemployed.[6] Over 80% of the Medicaid enrolled adults are

6 https://osuwmcdigital.osu.edu/sitetool/sites/omaspublic/documents/OMASBriefPublicPrivateSub031416FINAL.pdf.

either working or disabled.[7] In 2015, eleven of Ohio's top twelve occupations did not pay enough to raise a family of three above 200% of the federal poverty level and eight of the twelve left a working family of three below 133% FPL.[8] Unless and until Ohio's labor market and wage scales improve, many responsible working individuals and families will depend on Medicaid to support their ability to work. Erecting barriers to Medicaid harms not only the individuals and families locked out of health care, but also Ohio's economy.

II. The Healthy Ohio Waiver Request If Granted Will Increase Health Disparities in Ohio.

The Healthy Ohio waiver would increase health disparities by increasing the number of persons of color that do not have health insurance. Whites make up the majority of the Medicaid recipients in Ohio, but because of race-based income inequality, a much larger percentage of the non-white population must rely on Medicaid to access healthcare. In 2014, 20% of people described as white were on Medicaid, while 42% of people described as black, 33%, of Hispanics and 38% of all other were on Medicaid.[9] Any policy that negatively impacts the population on Medicaid will inescapably harm a larger percentage of Ohio's communities of color.

According to the most recent data issued by the Ohio Department of Health (ODH), Ohio saw a decline in its overall infant mortality rate from 7.33 in 2013 to 6.8 in 2014. However, **Ohio's infant mortality rate for black babies increased from 13.8 infant deaths in 2013 to 14.3 in 2014**, while for white babies it stands at 5.3 per 1,000 live births (down from 6.0/1,000 over the same time period). The infant mortality rate for black infants is more than twice as high as that of white babies.[10]

The Healthy Ohio program will make the racial differences in infant mortality even larger. Women without coverage before becoming pregnant, and dropped from coverage after they give birth, will contribute to higher infant mortality rates. The health of a baby is critically tied to the mother's health before she has her first obstetrics visit and after she gives birth, not just during

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[7] https://osuwmcdigital.osu.edu/sitetool/sites/omaspublic/documents/OMASSLIDEDECK_FINAL(1).pdf.

[8] http://www.policymattersohio.org/sowo-aug2015

[9] Kaiser Family Foundation State Health Facts; Medicaid Coverage Rates for the Non-Elderly by Race and Ethnicity; 2014. http://kff.org/medicaid/state-indicator/rate-by-raceethnicity-3/

[10] Ohio Commission On Infant Mortality Committee Report, Recommendations, and Data Inventory, March 2016. http://cim.legislature.ohio.gov/Assets/Files/march-2016-final-report.pdf

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the time she is receiving pregnancy care. A woman who has no healthcare insurance may not see a doctor before her pregnancy and may begin her pregnancy with untreated health issues, putting the developing fetus at risk. A new mother without healthcare insurance may not get a pertussis shot or a flu shot, both of which are critical to protecting her newborn child.

The Healthy Ohio program will exacerbate disparities in chronic disease. Loss of healthcare coverage keeps people from getting critical screenings for conditions and diseases such as hypertension, diabetes and cancer. Lack of healthcare coverage also keeps people from receiving effective treatment. Chronic disease will increase disproportionately in communities of color if the Healthy Ohio program is implemented. For example, Black Ohioans had the highest prevalence of diabetes (16.0 percent) while Ohioans of "Other" races had the lowest prevalence (5.1 percent)[11]. Effective prevention of diabetes requires appropriate collaboration with the person's primary care provider.[12] Without Medicaid coverage and access to healthcare the rate of diabetes will increase disproportionately for black men and women.

The expected impact on health disparities resulting from the Healthy Ohio program should result in its rejection. Increasing the number of people without healthcare is bad policy. Increasing health disparities in a state that already has significant racial differences in disease burden is an unspeakable policy.

Conclusion

For all of the reasons stated above, we request that this waiver request not be submitted to the federal Department of Health and Human Services, and if it is submitted, that HHS reject the waiver request in full. We also acknowledge that these comments incorporate in part comments from our members and partners including EquitasHealth Inc., legal services programs and UHCAN Ohio.

[11] p 30 The Impact of Chronic Disease in Ohio: 2015. Chronic Disease Epidemiology and Evaluation Section, Bureau of Health Promotion, Ohio Department of Health, 2015. http://www.healthy.ohio.gov/~/media/HealthyOhio/ASSETS/Files/Chronic%20Disease%20Plan/CD%20Burden%20Final_Webv2.pdf

[12] Postgrad Med. 2010 Jul; 122(4):129-43. doi: 10.3810/pgm.2010.07.2180. Prediabetes: the importance of early identification and intervention. Hsueh WA1, Orloski L, Wyne K. https://aspe.hhs.gov/basic-report/financial-condition-and-health-care-burdens-people-deep-poverty