

Proposal to make Medicaid recipients pay for their care roundly criticized in Columbus

Written by: Casey Ross, April 21, 2016

COLUMBUS, Ohio -- A state proposal to make Medicaid recipients pay for a portion of their medical care was roundly criticized in Columbus Thursday, with citizens and advocates for low-income residents arguing it would undermine care and increase costs.

During a 90-minute hearing, a steady stream of commenters took aim at the proposal, asserting it would create an unfair cost barrier and force many Medicaid recipients to drop their coverage.

"How is this good for anybody?" asked Rosetta Leeper, a health care customer service employee who works with Medicaid recipients. "How is it caring for anybody? It's easy to sit in an office and vote and make decisions, because you don't have to talk to them. I do."

The proposal, dubbed the "Healthy Ohio Program," would require all non-disabled adults with income to make a monthly payment into a health savings account to help pay for the cost of their care. Failure to make the payment within 60 days of the due date would result in the loss of coverage.

The proposal would affect about 1.6 million Medicaid recipients in Ohio. It was passed by the state legislature last year and signed by Gov. John Kasich, who is seeking federal approval to implement it in January 2018.

Supporters say it is designed to get Medicaid recipients to put "skin in the game" and become more directly involved in the costs and consequences of medical decision-making. They also estimate that it would cut Medicaid costs by about \$1 billion over five years.

Under the program, participants would be required to pay 2 percent of their income, capped at no more than \$99 annually, or \$8.25 a month. Health care providers, which have a financial incentive to get people covered, could also help make those payments.

The state would also make a \$1,000 annual contribution to help fund each recipient's deductible. The rest of the money in the account would be used for co-pays and other out-of-pocket costs. Participants would be awarded additional funding for their accounts for using preventive services and wellness programs aimed at improving their general health.

No supporters spoke during Thursday's hearing. Most comments were made by health care advocates who came prepared with a long list of concerns and criticisms.

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State Medicaid director John McCarthy and other regulators listen to criticism of a proposal to require Medicaid recipients to help pay for their care. The Medicaid Department held the first of two hearings on the proposal in Columbus on Thursday. (Casey Ross)

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Marsha Riley, a counselor for Ohio's chapter of the Universal Health Care Action Network, said the proposal would undermine access to care for Medicaid recipients.

"Many will lose their coverage and will go back to using the emergency room for their health needs," Riley said, a prediction that was made repeatedly during the hearing. Opponents argued the proposal would only increase health care costs and undermine gains made by Kasich's recent expansion of Medicaid under the Affordable Care Act, commonly known as Obamacare.

Kasich's expansion of Medicaid, which increased the income eligibility to 138 percent of the federal poverty level, resulted in an additional 640,000 Ohioans gaining health coverage.

In a document outlining the Healthy Ohio Program, the state Department of Medicaid estimated the proposal would result in between 125,000 and 140,000 people dropping their coverage.

Jim Butler, one of the architects of the proposal in Ohio's legislature, said that those who do lose coverage could quickly get it back by catching up on their payments, which could be paid up to 75 percent by a non-profit health care provider.

He said the program -- modeled after a similar initiative in Indiana -- has the potential to significantly improve health outcomes. He pointed to survey data from Indiana that shows participants who stuck with the program reported using preventive services at much higher rates; the participants also reported a much lower reliance on the emergency room to get care, which helps to reduce costs.

"The most important thing is to incentivize proper care and engender a cost consciousness" in Medicaid recipients, Butler said in a recent interview with the Plain Dealer. "Those are all important parts of empowering the patient to have the best care and have the knowledge to make the best decisions in consultation with their doctors."

But on Thursday, some advocates questioned whether the ability of health care providers to help pay for recipients' care would create a conflict of interest and open the door for abuse of the system.

"There is potential for tens of millions of dollars in fraud by allowing providers to deposit into a person's account," said Loren Anthes, a fellow at the Center for Community Solutions, a research organization that focuses on health and social services issues.

Thursday's hearing was the first of two in which Ohioans can comment on the proposal; the second is scheduled for Tuesday in Cincinnati. The public can also submit written comments to the state Department of Medicaid until May 19.

The Kasich administration will then consider whether to alter the the proposal and submit it to the federal Centers for Medicare and Medicaid Services for consideration. It is unclear when CMS will make a determination, but the process typically takes six to nine months.