CYSTIC FIBROSIS FOUNDATION®

December 6, 2019

Natalie Angel
Healthy Indiana Plan (HIP) Director
Indiana Family and Social Services Administration.
402 West Washington Street
Room W374
Indianapolis, Indiana 46204

Re: Renewal Request for the Healthy Indiana Plan (HIP) Section 1115 Waiver

Dear Ms. Angel:

The Cystic Fibrosis Foundation appreciates the opportunity to share comments on Indiana's Renewal Request for the Healthy Indiana Plan (HIP) Section 1115 Waiver (Project Number 11-W-00296/5). While the Cystic Fibrosis Foundation strongly supports Medicaid expansion, we have serious concerns about the continuation of a number of HIP policies, including work and power account contribution requirements, as well as the ability for individuals to use Workforce Bridge funds to purchase non-compliant health plans. We also have concerns about the state's proposal to continue limiting retroactive eligibility.

Therefore, we urge you to rescind your application cystic fibrosis (CF) for work requirements, POWER account contribution requirements, and retroactive eligibility restrictions. We also ask that you clarify additional limitations for Workforce Bridge funds.

About Cystic Fibrosis

Cystic fibrosis is a life-threatening genetic disease that affects 770 people in Indiana**.** CF causes the body to produce thick, sticky mucus that clogs the lungs and digestive system, which can lead to life-threatening infections. As a complex, multi-system condition, CF requires targeted, specialized treatment and medications. For those with CF, health care coverage is a necessity and interruptions in coverage can lead to lapses in care, irreversible lung damage, and costly hospitalizations—compromising the health and well-being of those with the disease.

Our concerns regarding the specific proposals included in this waiver extension application are detailed below.

HIP Gateway to Work – Work Requirements and Coverage Terminations

We are concerned that Indiana's work and community engagement requirements will result in coverage losses for people with CF who rely on Medicaid. A recent study in *The New England Journal of Medicine* found that implementation of Arkansas's work requirement was associated with a significant loss of Medicaid coverage but no corresponding increase in employment, indicating that individuals did not find other jobs that may have increased their incomes and provided other healthcare coverage.[1] Arkansas, the only state which has experience implementing a similar work requirement, disenrolled more than 18,000 people from their Medicaid program within just 6 months for failing to report their number of hours worked.[2] Over the first five months of the

[1] Benjamin D. Sommers, MD, et al. "Medicaid Work Requirements—Results from the First Year in Arkansas," *New England Journal of Medicine*. Published online June 18, 2019, https://cdf.nejm.org/register/reg_multistep.aspx?promo=ONFGMM02&cpc=FMAAALLV0818B

[2] Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, "A Look at November State Data for Medicaid Work Requirements in Arkansas," Kaiser Family Foundation, December 18, 2018. Accessed at: https://www.kff.org/medicaid/issue-brief/a-look-at-november-state-data-for-medicaid-work-requirements-in-arkansas/

program, an average of 12.6 percent of those disenrolled from Medicaid lost coverage as a result of an increase in income, while almost a quarter of closures over the same period of time were due to failing to meet the requirement.[3] We recognize that Indiana's work requirement is structured differently than Arkansas's but the threat of coverage losses remains—and we expect individuals will not lose coverage because they find jobs, but because they are unable to navigate the system to report their work.

However, if Indiana moves forward with work requirements, we continue to urge the state to clarify the medically frail definition so that people with cystic fibrosis are automatically exempt. Some people with cystic fibrosis may not qualify for disability but their ability to work may vary over their lifetime. While many are able to work full or part-time, others are not able to maintain employment due to their health status or the amount of time they need to spend on their treatments. For instance, variations in health status due to pulmonary exacerbations, infections, and other events are common and can take someone out of the workforce temporarily or for longer periods of time. Furthermore, many patients bear a significant treatment burden, amounting to hours of chest physiotherapy, delivery of nebulized treatments, administration of intravenous antibiotics, and/or other activities required to maintain or improve their health, which can interfere with their ability to work. For these reasons, many people with CF experience periods when they are unable to work or attend school, despite being ineligible for disability benefits.

The state itself has acknowledged the validity of our concerns in their recent suspension of the Gateway to Work reporting requirements.[4] We therefore ask Indiana to rescind its proposed extension of work requirements or, if the state chooses to proceed, to automatically exempt people with CF from these requirements. While an automatic exemption for people with CF is helpful, it does not negate potential coverage losses for people who may encounter administrative errors or may be unable to navigate the reporting system.

HIP Power Accounts and Cost-Sharing

Similarly, we are concerned that the continuation of required HIP power account contributions and cost-sharing requirements may impose unmanageable health care costs on financially vulnerable and medically complex adults if they are unable to obtain an exemption. Imposing such requirements could lead to increased barriers to care, greater unmet health needs, and increased financial burdens.

Research shows that adding premiums and cost-sharing requirements can result in decreased enrollment and reduced utilization of necessary health care services.[5] For example, a 2017 analysis of Indiana's Medicaid program found that nearly 30 percent of enrollees never enrolled in coverage or were disenrolled from coverage because they failed to make premium payments.[6] Additionally, when Oregon implemented premiums and cost-sharing in its Medicaid program, almost half of enrollees lost coverage.[7] A study of Wisconsin's Medicaid

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[3] Arkansas Department of Health and Human Services, Arkansas Works Program, December 2018. Available at: http://d31hzlhk6di2h5.cloudfront.net/20190115/88/f6/04/2d/3480592f7fbd6c891d9bacb6/011519_AWReport.pdf

[4] Indiana Family and Social Services Administration. Press Release: Pending resolution of federal lawsuit, FSSA will temporarily suspend Gateway to Work reporting requirements. October 2019. Available at: https://www.in.gov/fssa/files/Gateway_to_Work_suspension_announcement.pdf

[5] Kaiser Family Foundation. The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings. June 2017. Retrieved from https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/

[6] Lewin Group. Healthy Indiana Plan 2.0: POWER Account Contribution Assessment. March 31, 2017. Retrieved from 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

[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.

program also found that premiums made enrollees 12 percentage points less likely to remain enrolled for a full year.[8]

Furthermore, adding to the significant cost burden already experienced by people with CF could cause them delay care or skip treatments. A recent survey conducted by George Washington University of 2,500 people living with CF found that while 98 percent of people with CF have some type of health insurance coverage, 58 percent postpone necessary medical care or forgo prescribed treatments due to cost concerns. The consequences of skipping or delaying care for someone with CF are serious and can result in costly hospitalizations and fatal lung infections.

For these reasons, we ask Indiana to rescind this proposal or, if the state proceeds, to automatically and explicitly exempt individuals with CF from this requirement.

HIP Workforce Bridge Accounts

This waiver also proposes the continuation of Workforce Bridge accounts for HIP enrollees who are disenrolled from the state's Medicaid program as a result of increased income. Workforce Bridge accounts, which have not yet been approved or implemented, will be funded by unspent POWER Account funds. We appreciate the effort to assist individuals as they transition from Medicaid to commercial insurance. As the state noted within the waiver proposal, with the loss of Medicaid eligibility based on increased income, a couple could see their healthcare premiums jump from $20 per month to $172.83 per month. We are glad the state is attentive to this transition.

However, the waiver fails to outline the minimum standards a private health plan would have to meet in order to qualify for the bridge account funds. This means the funds could be spent on association health plans (AHPs), short-term plans, and other cheaper, less comprehensive health plans. If people use bridge account funds to purchase these plans instead of marketplace plans, it could segment the Indiana health insurance marketplace and drive up premiums in the marketplace and make healthcare less affordable—especially for patients with pre-existing conditions who need comprehensive coverage.

Given these concerns, we ask that Indiana specifically limit Workforce Bridge funds for the purchase of ACA compliant plans.

Retroactive Eligibility

Indiana has also requested to extend its current waiver limiting retroactive coverage for most populations to 30 days.

Retroactive eligibility serves as an important safeguard for low-income Medicaid beneficiaries and providers by ensuring continuous coverage for people with CF who experience changes in insurance status and become Medicaid eligible. There are many reasons why Utahns, including people with CF, may not be able to submit a timely Medicaid application when they become eligible. Someone with CF may be consumed by a complicated medical situation—such as an extended hospitalization—that may make it difficult to complete Medicaid paperwork. People may also not realize their coverage has lapsed until they seek care. Eliminating retroactive eligibility could create gaps in coverage for people with cystic fibrosis so we urge Utah to maintain retroactive eligibility.

To ensure people with CF do not face gaps in coverage and costly medical bills, we urge to you remove this proposal.

[8] Laura Dague, "The Effect of Medicaid Premiums on Enrollment: A Regression Discontinuity Approach," *Journal of Health Economics* 37 (May 2014): 1-12.

10 Year Waiver Extension

Indiana is requesting this waiver be approved for 10 years as opposed to the standard five years. This is concerning, as there are a number of policies the state is asking to continue with limited or no data available. For example, in reference to the work reporting requirement, the proposal states, "*this means that our Gateway to Work program, which started phase-in January 2019, will have almost no real operation experience before we started drafting a renewal*." This means there is no data on how this policy impacts patients and their access to care.

Extending this waiver for 10 years without fully understanding or evaluating the extend of potential enrollment losses is unreasonable. We therefore ask that this waiver be extended by the standard five years to allow for additional evaluation.

Conclusion and Recommendation

To protect people with CF, urge you once more to rescind your application cystic fibrosis (CF) for work requirements, POWER account contribution requirements, retroactive eligibility restrictions. We also ask that you clarify additional limitations for Workforce Bridge funds.

The Cystic Fibrosis Foundation appreciates the opportunity to provide input on these important policy changes. As the health care landscape continues to evolve, we look forward to working with Indiana to ensure access to high-quality, specialized CF care and improve the lives of all people with cystic fibrosis. Please consider us a resource moving forward.

Please see below for our original comments regarding the Workforce Bridge Amendment.

Sincerely,

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