UnityPoint Health

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July 27, 2017

Anna Ruggle
Department of Human Services
Iowa Medicaid Enterprise
100 Army Post Road
Des Moines, IA 50315

RE: Public Notice: Regarding Retroactive Benefits amendment to the §1115 Iowa Demonstration Waiver

Submitted electronically to aruggle@dhs.state.ia.us

Dear Ms. Ruggle,

UnityPoint Health appreciates the opportunity to provide input on the proposal to eliminate the provision of three months of retroactive benefits for all Iowa Medicaid eligibility groups currently receiving retroactive coverage. As proposed, coverage for eligible Medicaid applicants will become effective on the first day of the month in which the application for Medicaid was filed or as otherwise allowed in the State Plan. Pending CMS approval, this benefit reduction will become effective on October 1, 2017.

As background, this regulatory proposal originated as a "Cost Containment Strategy" within subsection 15(a)(7) of the Health and Human Services Appropriations Bill (House File 653) of the Iowa Legislature.[1] The fiscal impact was estimated to save the State of Iowa $4,821,814 in FY 2018 and FY 2019. As drafted by Iowa Medicaid Enterprise, the stated goals and objectives of this amendment are "to reduce program costs, while ensuring that mechanisms, such as presumptive eligibility and retroactive coverage for the month in which the Medicaid application is filed, are in place to guarantee individuals have continued access to necessary services."[2] As stated in the public notice, this amendment is estimated to impact 3,344 potential Medicaid enrollees monthly and result in an annual savings of $36,751,782 with $9,695,261 of that total credited to the State of Iowa. Table 1

[1] House File 653 (2017), Subsection 15(a)(7) – "Elimination of the three-month retroactive Medicaid coverage benefit for Medicaid applicants effective October 1, 2017. The department shall seek a waiver from the centers for Medicare and Medicaid services of the United States department of health and human services to implement the strategy. If federal approval is received, an applicant's Medicaid coverage shall be effective on the first day of the month of application, as allowed under the Medicaid state plan."

[2] "Notice of Iowa Department of Human Services Public Comment Period to Amend the 1115 Demonstration Waiver", published at https://dhs.iowa.gov/public-notices on June 27, 2017.

represents the State's enrollment and fiscal projections[3] with the addition of eligibility group percentages.

TABLE 1. Impact of Eliminating Retroactive Eligibility						
Eligibility Group	**Avg. Monthly Enrollees**		**Annual Savings**		**State Share**	
	#	%	$	%	$	%
Medicaid						
Child	1,129	33.8%	$9,502,208	25.9%	$3,986,176	41.1%
Adult	668	20.0%	$6,027,803	16.4%	$2,528,663	26.1%
BCCT	1	0.0%	$14,250	0.0%	$4,184	0.0%
Elderly	6	0.2%	$262,791	0.7%	$110,241	1.1%
Disabled	157	4.7%	$4,368,799	11.9%	$1,832,711	18.9%
Health and Wellness Plan	1,384	41.4%	$16,575,930	45.1%	$1,233,285	12.7%
Medicaid Total	**3,344**		**$36,751,782**		**$9,695,261**	

For the following reasons, **UnityPoint Health is opposed to Iowa's cost containment strategy** and urges CMS to disapprove the proposed Retroactivity waiver to section 1902(a)(34) that would supplement the existing Iowa Wellness Plan Title XIX waivers.

Iowa's proposed amendment to eliminate retroactive eligibility from existing Title XIX waivers is not similarly situated to other CMS approved waivers.

In 2013, Iowa proposed this waiver authority in its original Iowa Health and Wellness Plan §1115 demonstration applications[4], and CMS denied this waiver authority. While Iowa's request was denied, CMS has approved waivers of the 3-month retroactive eligibility requirement in Indiana, Arkansas, and New Hampshire.[5] The approved waivers were all conditional, requiring states to implement safeguards to protect Medicaid beneficiaries from unpaid medical costs incurred just prior to Medicaid eligibility. Indiana expanded its presumptive eligibility program and implemented a prior claims payment program to cover retroactive costs for the waiver's mandatory (non-expansion) parents and individuals age 19 and 20. Arkansas and New Hampshire were required to ensure that eligibility determinations were timely and without gaps in coverage. Although Iowa has a presumptive eligibility program, the proposed Iowa amendment does not provide additional/expanded safeguards to ensure timely eligibility determinations or prevent gaps in coverage for the estimated 3,344 enrollees that will be impacted monthly. As evidenced by the flat nature of the State's supporting data (i.e. no reduction in the number of enrollees impacted is anticipated over the course of months or years), **simply waiving the three-month retroactive eligibility is not anticipated by itself to**

[3] Notice of Iowa Department of Human Services Public Comment Period to Amend the 1115 Demonstration Waiver, published June 27, 2017 at https://dhs.iowa.gov/public-notices.

[4] Iowa Department of Human Services, Iowa Wellness Plan 1115 WAIVER APPLICATION, August 2013, page 40, accessed at http://dhs.iowa.gov/ime/about/initiatives/iowa-health-and-wellness-plan/ihawp-fed-docs.

[5] Musumeci, M., Hinton, E., & Rudowitz, R. Issue Brief: Key Themes in Section 1115 Medicaid Expansion Waivers, Henry J. Kaiser Family Foundation, March 14, 2017, updated June 14, 2017, accessed at http://www.kff.org/medicaid/issue-brief/key-themes-in-section-1115-medicaid-expansion-waivers/.

encourage continuous coverage. Rather than offering supportive mechanisms or activities to encourage continuous coverage outside elimination of the three-month retroactive eligibility provision, the Iowa Legislature has authorized the use of excess funds garnered from cost containment strategies to hire additional staff to implement the cost containment strategies.[6] It is unclear how additional staffing will encourage continuous beneficiary coverage.

The scope of Iowa's proposed amendment goes beyond the CMS guidance to "Align Medicaid and Private Insurance Policies for Non-Disabled Adults".

On March 14, 2017, Health and Human Services Secretary Tom Price, M.D., and CMS Administrator Seema Verma cosigned a letter to the nation's governors affirming the Department's intent to work with states to improve the Medicaid program.[7] The alignment of Medicaid and private insurance policies for **non-disabled adults** was listed among keys areas for improved collaboration, including "waivers of enrollment and eligibility procedures that do not promote continuous coverage, such as presumptive eligibility and retroactive coverage." Using the State of Iowa's supportive data in Table 1, **the majority (58.6%) of those impacted will be mandatory (non-Health and Wellness plan) beneficiaries and will comprise a disproportionate amount (87.3% or $8,461,975) of projected State savings**. **"Non-disabled adults"[8] comprise 61.5% of impacted monthly enrollees but account for only 40% ($3,876,373) of projected State savings**. As proposed, this amendment overreaches the non-disabled adult category and we oppose application of this waiver to this significantly larger beneficiary group. Given that the Legislature forecasted a two-year savings of $4,821,814, we do not believe that this larger population with an annual Medicaid savings of $9,695,261 and total cost avoidance of $36,751,782 should be included within this application.

The retroactivity cost containment strategy simply shifts costs, does not proactively reduce costs, and places an undue financial burden on vulnerable populations.

Given that the State has not proposed any mechanism or activity to promote continuous coverage, this cost containment policy will not reduce overall healthcare costs but rather shift these costs to safety-net providers. For institutions that serve a disproportionate share of Medicaid beneficiaries, the result will be a disproportionate share of the $36 million total landing in charity care and bad debt expenses. This significant amount may lead some institutions to reduce services.

In addition, this policy establishes an inconsistent deadline for a population with very few resources making them particularly vulnerable to extreme financial strain and liability. As proposed, an applicant's Medicaid coverage will become effective on the first day of the month of application.

[6] House File 653 (2017), Subsection 16(b) – "If the savings to the medical assistance program from cost containment efforts exceed the cost for the fiscal year beginning July 1, 2017, the department may transfer any savings generated for the fiscal year due to medical assistance program cost containment efforts to the appropriation made in this division of this Act for medical contracts or general administration to defray the increased contract costs associated with implementing such efforts."

[7] Department of Health and Human Services media release, "Secretary Price and CMS Administrator Verma Take First Joint Action: Affirm Partnership of HHS, CMS, and States to Improve Medicaid Program," published on March 14, 2017 at https://www.hhs.gov/about/news/2017/03/14/secretary-price-and-cms-administrator-verma-take-first-joint-action.html.

[8] Defined as Medicaid eligibility groups of mandatory adults, BCCT, elderly, and Health and Wellness Plan enrollees (or exclude the child and disabled groups) as set forth in Table 1.

People with healthcare expenses at the beginning of the month are treated differently than people with healthcare expenses at the end of the month. If a person has an injury or severe illness on the 30th of the month as opposed to the 1st of the month, there is little time to submit a Medicaid application. This creates unnecessary burdens for individuals and their caregivers during a time of crisis (i.e. focused on receiving treatment and getting well) and provides unequal application requirements based on the timing of an illness/injury which is often beyond an individual's control.

UnityPoint Health (UPH) is one of the nation's most integrated healthcare systems. Through more than 30,000 employees and our relationships with more than 280 physician clinics, 33 hospitals in metropolitan and rural communities and home care services throughout our 9 regions, UPH provides care throughout Iowa, Illinois and Wisconsin. On an annual basis, UPH hospitals, clinics and home health provides a full range of coordinated care to patients and families through more than 4.5 million patient visits. In Iowa, UPH is the largest healthcare provider, serving roughly one out of every three Iowans.

On behalf of our Medicaid patients and their families and caregivers, UnityPoint Health appreciates the opportunity to provide input in response to the public notice. **While we recognize the budget difficulties in the State of Iowa, we cannot support this cost containment strategy as proposed and urge CMS to disapprove this amendment. This amendment does not promote continuous coverage and has impacts beyond the non-disabled adult population.** To discuss UPH comments or for additional information on any of the addressed topics, please contact Sabra Rosener, Vice President and Government Relations Officer, Government & External Affairs at sabra.rosener@unitypoint.org or 515-205-1206.

Sincerely,

Sabra Rosener, JD
VP, Government & External Affairs