Top 10 Positives and Negatives – Public Hearing Testimony 7-29-13 for the 1115 Waiver Applications – Teresa Bomhoff
Representative of Iowa Mental Health Planning Council, NAMI Greater Des Moines, and AMOS revised 8-18-13
After encompassing comments from Child and Family Policy Center, Health Advocates, Olmstead Task Force, and AARP.

Positives

1. The federal waivers will provide universal access to insurance to 190,000 persons with up to 138% federal poverty level income.
2. The benefits of the Iowa Health and Wellness Plan and the Iowa Marketplace Choice Plan are superior to the Iowa Care program. Good riddance to the Iowa Care program.
3. It is fiscally responsible to accept Medicaid expansion dollars to prevent undue financial burden on Iowa taxpayers.
4. Integrated health homes for wrap around care -are a superior improvement.
5. The provider networks for both plans are an excellent improvement over the rigidity in the Iowa Care program.
6. The attention to low out-of-pocket expenses for the insured is appreciated.
7. Coverage for the 10 Essential Health benefits is consistent throughout both waiver applications. The addition of supplemental dental benefits is a pleasant surprise.
8. The definition of and the process of determination for "medically frail" is acceptable.
9. It is a welcome move for medically frail persons to have coverage in the Medicaid program.
10. A continuum of care for mental health and mental health parity has been achieved with the definition of medically fragile and coverage to 138% of federal poverty level in the Medicaid program. A continuum of care and mental health parity are not evident for persons in the insurance exchange for persons exceeding 138% federal poverty level.

Negatives

1. The present proposal could be simplified if the benefits were the same in all 3 types of coverage. In the present situation, considerable comparison charts have to be spawned in order to keep the "different" plans understandable and has created outreach and communication difficulties. As proposed, the multiple programs with multiple key activities to track will be an administrative burden to operate. Simplifying the proposal would increase efficiency and reduce administrative burden.

2. Monthly premiums (contributions) are not allowable in Medicaid expansion rules for persons with incomes less than 150% of FPL according to the ACA. In the waiver population, 138% of federal poverty level only translates to an hourly wage of $7.62 – barely above the federal minimum wage rate of $7.25.

   In addition to being prohibited by current Medicaid regulations, previous experience in the state of Iowa has demonstrated several negative consequences of imposing premiums on this population. During its first year of implementation, Iowa Care imposed premiums on individuals with incomes below 100% o poverty. The imposition of premiums on this population produced significant hardship and disenrollment, leading Iowa to eliminate this requirement after only its first year of practice.

   In a review of research, even among individuals with substantial means, the use of incentives or sanctions through health insurance coverage can only do so much to support behavior changes and adoption of more healthy regimens. These are most likely to be successful for relatively simple and straightforward actions, such as obtaining a flu shot or having an annual physical examination. There is no definition of what preventative services will include.

3. The requirement of federal budget neutrality cannot be met. The Iowa proposal which involves premium assistance will cost more for the federal government than just expanding Medicaid. Administratively and for overall cost, 3 programs **cost more** than 1 program to serve the same population.

4. Demonstration Purpose at 1.1 –IHWP - Changes could be made within the present Medicaid program to achieve the health and wellness aims of the Iowa Health and Wellness Plan. There is an integrated health home project that is underway which will create care coordination and better health care for persons with mental illness/chronic conditions and for children with severe emotional disorder. The increased care coordination would benefit the entire population under consideration and reduce costs. Access to services would be best enhanced with a decent increase in provider reimbursement in the Medicaid program.

5. At a minimum, transportation is a necessary benefit to be included for this population. Federal law requires Medicaid to cover non-emergency transportation. Medicaid dollars are being used in both the IHWP and Marketplace Choice plans. Studies in Iowa have proven transportation is cost effective. It minimizes the number of missed appointments by more than 50%. The Iowa Medicaid program already has a transportation assistance program in place and could be amended to accommodate the new population. Section 1115 demonstrations are designed to test strategies to expand coverage, expand eligibility or test innovative delivery systems that improve care, increase efficiency and reduce costs. No hypotheses are offered as to how eliminating these services would meet any of these demonstration strategies.

   Other re-considerations for inclusion in the benefit plans are EPSDT, Hearing Aids, and birth control/women's reproductive rights. Federal law requires that EPSDT services must be available for 19-21 year olds. Failing to provide EPSDT services for this age group could delay the diagnosis and treatment of mental illness, as many mental illnesses manifest when individuals are in this age range (19-21 years old)

6. Retroactive eligibility should be mandatory for all programs. Current Medicaid Iowa policy is to allow backdating of Medicaid eligibility for 3 months. To forbid backdating will open up excessive financial liability to extremely low income persons if coverage

is not obtained until the 1st day of the following month when premiums are paid. The proposed policy waiver will perpetuate medical bankruptcies. Hospitals and emergency rooms would bear these immediate costs.

7. Churning is a false positive for the proposed waivers.
Assuming the churn is the paperwork and changes needed to transfer from one program to another – below is a chart illustrating the comparison between the waiver proposals and Medicaid expansion. There is more churning within the waiver proposals, not less. Instead of creating more insurance programs, simplify to less programs, and invest in easy-to-reach counselors to help families move from one program to another.

Iowa's Federal Waivers			Medicaid Expansion	
Churn			**Churn**	
Medicaid 100% FPL Medically fragile 138% FPL	Co-pays		Medicaid Up to 138% FPL	Out of pocket expenses cannot exceed 5% of income
Churn				
Iowa Health & Wellness Plan Non-medically fragile 100% FPL	Premiums			
Churn				
Marketplace Choice Plan Non-medically fragile 101-138% FPL	Premium assistance			
Churn			**Churn**	
Insurance Exchange 139% - 400% FPL	Premium assistance		Insurance Exchange 139% - 400% FPL	Premium assistance
Churn			**Churn**	
Private Insurance			Private Insurance	

8. There is no reference to the eligibility of persons in community corrections. Persons in community corrections are often in health care limbo - the Dept. of Corrections does not pay for health care since they are technically ex-offenders – eligibility for Medicaid not possible because the interpretation is that they are still in the corrections system, and the county often does not have the funds available to pay either. People in community corrections need health care to help reduce recidivism and to lower corrections costs.

9. It is not a positive to promote private market coverage in this population. Past experience with private insurance shows they are more interested in company profits than providing health care. It is ironic – the further you move to private insurance – the less benefits you can receive. The Medicaid program understands the breadth of services it takes to address health matters. All health insurance policies should offer the array of adult mental health services and supports as depicted in the attached NAMI document.

10. Demonstration Hypotheses at 1.2- IHWP – contends the incentive program that eliminates required contributions in subsequent years results in increased preventive care and other disease prevention and health promotion activities in the current year. The incentive program is not what will drive the increases – the increases will happen because people will finally have access to health care insurance - a population who has never had insurance before or has been underinsured. By adding care coordination efforts mandated in the ACA – care coordination team contact, follow up and relationship building will be the true mechanism for better health seeking behaviors for participants.

In closing –

There are discrepancies regarding the co-pay amount for nonemergency visits to the ER. In the Iowa Wellness Plan waiver application and public hearing notice - $8 is indicated in some places, $10 in others. The inconsistency should be corrected. Federal law requires an amount up to the maximum of $8. There is no justification provided for seeking a waiver in this area. CMS has indicated that it does not have the authority to waive any cost-sharing limitations with a section 1115 waiver.

Overall, attention must be paid to the use of Medicaid dollars for each of the waiver programs. If Medicaid dollars are going to be used – do the Medicaid rules attach themselves to the dollars as well?

It is welcome legislative action to establish a legislative advisory council and interim council to follow the implementation and determine where adjustments need to be made.

We vehemently object to the clawback (Mediciad offset) of county mental health dollars. In the state legislation for the Iowa Health and Wellness program, any savings realized by counties with persons moving to the proposed waiver programs – 80% has to be sent to the state. This is county property tax dollars going to the state to help reduce the equalization payments to the regions. It is another example of the financial starvation of the mental health system in Iowa and why redesign is in peril.

Now we also have to deal with $22 million in vetoed mental health dollars which has pushed the mental health system to the cliff. Who's going to pull us back from the precipice?