



September 7, 2017

The Honorable Thomas Price, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W. Washington, DC 20201

Dear Secretary Price:

The Georgetown University Center for Children and Families appreciates the opportunity to comment on Iowa's request to amend the Iowa Wellness Plan demonstration project. We would like to express our concern with the provision to waive retroactive eligibility, as we describe below.

Retroactive eligibility ensures that individuals do not go into medical debt and helps to minimize uncompensated care costs that medical providers may face.

Retroactive eligibility was designed to prevent gaps in coverage by retroactively covering individuals for up to 90 days, assuming individual eligibility for Medicaid during that time. Oftentimes, individuals are not aware of their Medicaid eligibility until they encounter the health system or experience a medical event. Retroactive eligibility then ensures that these individuals, who may be experiencing a series of health events prior to discovered eligibility, do not become burdened by medical debt. Avoiding this medical debt, in turn, lowers the amount of uncompensated care that the state and providers face.

Additionally, the state of Iowa has not provided specific details as to how eligibility determinations will be made in a timely manner, without resulting in gaps in coverage. Without the retroactive eligibility provision, some Iowans may face a period of uninsurance that could be costly to the state and to the individual. As an example, consider a Medicaid member who, through no fault of their own, may not have understood or received a notice for Medicaid Renewal. Failure to understand or receive a notice may lead to a renewal delay of over 90 days, which would require the member to then reapply to the Medicaid program. Many members do not realize coverage has lapsed until it is time for a checkup, time to refill a prescription, or in the worst case, a medical emergency. In these cases, the 90-day retroactive eligibility period could potentially prevent a life-threatening situation for the member or their children.

Elimination of retroactive eligibility is based on the misconception that retroactive eligibility drives up costs.

Critics of retroactive eligibility will often cite cost to the state as a reason for eliminating the provision. However, there is no body of evidence to suggest that retroactive eligibility can critically impact state budgets as critics suggest. In fact, it is more likely that elimination of retroactive eligibility will result in millions of dollars of bad debt. When the state of Ohio was considering waiving retroactive eligibility in 2016, a consulting firm advised that hospitals could

wind up with as much as \$2.5 billion more in uncompensated care costs over the five-year waiver period.¹ CMS ultimately disapproved of the Ohio waiver amendment.

CMS should deny the state's request to waive retroactive eligibility.

We applaud the state of Iowa for choosing to maintain presumptive eligibility. Presumptive eligibility is a key practice in ensuring that Medicaid-eligible individuals are not burdened by medical debt after illness or an accident. Retroactive eligibility is based on the same principle. Therefore, we recommend that CMS not approve Iowa's request to waive retroactive eligibility, which does not further the objectives of the Medicaid program and will likely result in greater uncompensated care costs and individual medical debt.

Thank you for your willingness to consider our comments. If you would like any additional information, please contact Joan Alker (jca25@georgetown.edu).

CC: Seema Verma, Brian Neale, Judith Cash

¹ Virgil Dickson, "Ohio Medicaid waiver could cost hospitals \$2.5 billion", *Modern Healthcare*, April 22, 2016. (<http://www.modernhealthcare.com/article/20160422/NEWS/160429965>)