

August 2, 2019

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

Dear Secretary Azar,

The undersigned organizations appreciate the opportunity to comment on Iowa's proposed Section 1115 Medicaid Waiver, Iowa Wellness Plan, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 20, 2019. We support Iowa's decision to accept federal Medicaid funding to provide coverage to low-income adults made eligible by the Affordable Care Act, however we have several concerns with specific aspects of the waiver proposals that should be addressed during the approval process.

As explained below, we are particularly concerned that the proposal would continue to impose monthly premiums on very low-income people, maintain a complicated and poorly understood healthy behaviors program, and reduce benefits by eliminating non-emergency transportation (NEMT) services, limiting retroactive eligibility, and curtailing the Early and Periodic, Diagnostic and Treatment (EPSDT) benefit for 19 and 20-year olds. We also find that the application fails to acknowledge the results of the interim evaluations and is incomplete because it lacks required historic and projected financial data.

Premiums

Allowing Iowa to impose premiums on people with incomes below 100 percent of the poverty line set a new and dangerous precedent in the Medicaid program, which is not compatible with the objectives of the Medicaid program. Charging premiums to people with very low incomes is not an appropriate use of demonstration authority because experience already shows that premiums decrease enrollment of very low-income beneficiaries.

In a 2017 review of more than 35 studies, the Kaiser Family Foundation found that premiums are a barrier to obtaining and maintaining coverage among low-income individuals, with the largest effects among those with incomes below poverty.¹ Reports from Iowa show that thousands of beneficiaries lost coverage due to the premium policy, though no such summary data is included in the application and data are not available for

¹ Samantha Artiga, Petry Ubri & Julia Zur, [The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings](https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/), Kaiser Family Foundation, Table 1 (June 2017), <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>.

2018.² An interim evaluation of the Iowa Wellness Plan reinforces these findings and demonstrates why Iowa should not be allowed to continue charging premiums in its program: over half (52 percent) of survey respondents did not know that premium payments were required and 44 percent reported that they did not have the money to pay.³ Once disenrolled, members reported that they delayed needed health care (53 percent), delayed preventive care (41 percent), delayed dental care (39 percent), stopped taking prescription medications (31 percent), and stretched medication so it would last longer (27 percent).⁴ Despite wanting to be covered, less than a quarter of disenrolled members surveyed were able to re-enroll (24.4 percent) while over three-quarters reported administrative barriers that prevented them from regaining Medicaid coverage.⁵

Notably, the application does not include the number of people who lost coverage under the current demonstration nor does it project how enrollment will continue to decline as a result of extending the premium policy. Under 42 CFR 431.412(c)(2)(v), the state is required to provide an historical and projected financial analysis, which would necessarily require enrollment numbers and estimates. We urge you to reject Iowa's request to continue imposing premiums on the newly-eligible group given the demonstrated harm to beneficiaries and the state's failure to show that continued application of the premiums promotes the objectives of the Medicaid program.

Healthy Behaviors

Iowa Wellness Plan enrollees may avoid paying premiums by completing two healthy behaviors – a wellness exam or preventive dental exam and a health risk assessment. Lack of knowledge about the healthy behaviors program is an ongoing problem. In an enrollee survey as part of the Healthy Behaviors Program Evaluation submitted in April 2019, researchers found that almost 43 percent reported not knowing that they were supposed to complete a health risk assessment.⁶ Members were significantly more likely to complete the health risk assessment if they heard about it from their health care provider, but program evaluators were unable to survey providers about the usefulness of the health risk assessment because so few providers knew about the program.⁷

² See Iowa Department of Human Services, Iowa Health and Wellness Plan Annual Report 1115 Demonstration Waiver January 1 – December 31, 2017, 20 (April 2018), <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/Wellness-Plan/ia-wellness-plan-annl-rpt-2017.pdf>.

³ Brad Wright, PhD, et al., Healthy Behaviors Program Evaluation Interim Summative Report, page 67 metric 6.2 (April 2019).

⁴ Brad Wright, PhD, et al., Healthy Behaviors Program Evaluation Interim Summative Report, page 70 metric 6.4 (April 2019).

⁵ Brad Wright, PhD, et al., Healthy Behaviors Program Evaluation Interim Summative Report, page 70 metric 6.5 (April 2019).

⁶ Brad Wright, PhD, et al., Healthy Behaviors Program Evaluation Interim Summative Report, page 78 table 38 (April 2019).

⁷ Brad Wright, PhD, et al., Healthy Behaviors Program Evaluation Interim Summative Report, pages 18-20 (April 2019).

On average, just 15-16 percent of enrollees completed both an exam and a health risk assessment. Moreover, completion of both activities decreased over time from 26 to 10 percent among enrollees with income below 100 percent of the poverty line. The likelihood of completing both activities is higher among members who are older, female, white, reside in an urban area, don't move during the year, have fewer ER visits, take more prescription drugs and have more chronic conditions. Demographic differences in the likelihood of completion of both activities raise concerns that the healthy behaviors program may exacerbate racial and geographic disparities among an already disadvantaged population.⁸ Like the premiums, Iowa's evaluation shows the program is not working and does not promote the objectives of Medicaid, and should not be extended.

Non-Emergency Medical Transportation

We also urge CMS to reject Iowa's request to continue waiving the Non-Emergency Medical Transportation (NEMT) benefit for Medicaid beneficiaries enrolled in the Iowa Wellness Plan who are not determined medically exempt. Preliminary data from 2014 indicated that Iowa Wellness Plan enrollees had unmet needs for transportation, and CMS noted that the data raised concerns about beneficiary access to care, especially for those with incomes below poverty. The Iowa Health and Wellness Plan Evaluation submitted in April 2019 confirmed these preliminary findings. Iowa Wellness Plan members were significantly more likely to usually or always need transportation help compared to Medicaid members who were not part of the demonstration (22% compared to 18%). Iowa Wellness Plan members were also significantly more likely to report having unreliable transportation (4% compared to 2%).⁹

Although transportation problems are not the most commonly reported barrier to care, individuals who do rely on NEMT often do so for life-saving care like dialysis and mental health services. This benefit should be restored for all Medicaid beneficiaries; its waiver serves no clear demonstration purpose.

Retroactive Coverage

CMS should deny Iowa's request to continue waiving the Medicaid requirement to provide 90 days of retroactive eligibility under Section 1902(a)(34) of the Act. Retroactive eligibility ensures that individuals do not go into medical debt and helps minimize uncompensated care costs. Elimination and curtailing of retroactive eligibility is based on the misconception that retroactive eligibility drives up costs, when it is more likely that elimination of retroactive eligibility will result in millions of dollars of bad debt for both low income beneficiaries and the providers that serve them.

⁸ Brad Wright, PhD, et al., [Healthy Behaviors Program Evaluation Interim Summative Report](#), pages 32-33 (April 2019). See also Brad Wright, PhD, et al., [Understanding Medicaid Enrollees' Participation in Iowa's Healthy Behaviors Program, 2014-2017](#), (June 2019), <https://academyhealth.confex.com/academyhealth/2019arm/meetingapp.cgi/Paper/33727>.

⁹ Elizabeth Momany, et al., [Iowa Health and Wellness Plan Evaluation Interim Summative Report](#), pages 47-51 hypothesis 1.5 measure 23 (April 2019).

In its request, Iowa proposes to make a technical change to the waiver to align with state law requiring the Medicaid agency to provide 90 days of retroactive coverage to applicants who are residents of a nursing facility at the time of application and are otherwise Medicaid-eligible. This change is helpful for those needing care in a nursing home, but it does not address the harmful impact of the retroactive coverage waiver for seniors and people with disabilities who need long-term services and supports to remain in their homes and communities to get the care they need. Moreover, it runs counter to efforts the program has made to shift away from institutional care and toward home and community-based services (HCBS). By continuing to allow Iowa to waive retroactive coverage for this vulnerable population, seniors and people with disabilities will either have to incur significant out-of-pocket costs for long-term services and supports in their homes, or be forced to move into nursing homes in order to get the care they need. This is not only bad for beneficiaries and their health, but it is also more costly for the state since it is much cheaper to provide HCBS than nursing home care.

Early and Periodic Screening, Diagnostic and Treatment

Although some 19 and 20-year olds have been able to continue to receive services under the Medicaid state plan, about 13,000 are covered under the Iowa Wellness Plan according to the most recent annual report.¹⁰ The application does not address how 19 and 20-year olds enrolled in the Iowa Wellness Plan are able to access all required services under the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit, nor does it seek a waiver of EPSDT. Under the current agreement, 19 and 20-year olds are able to access a full array of dental services as required by EPSDT, but no provisions are made for other required services. The state should not be allowed to curtail EPSDT benefits for these youth. CMS should require the state to transition all 19 and 20-year olds to the Medicaid state plan.

Demonstration Application Procedures

Iowa did not provide sufficient information for the application to be considered complete under 42 CFR 431.412. For example, rather than providing a financial analysis with historical and projected expenditure data, the proposal simply asserts that CMS has already determined that the demonstration is budget neutral without acknowledging the proposed changes. Moreover, the application should not be considered under the Fast Track review process because the application does not acknowledge the results of the interim evaluations which show that the demonstration is causing people to lose coverage and is therefore inconsistent with the objective of the Medicaid program to provide coverage to low-income individuals. CMS should return the application with a request for more information, including the impact on enrollment and projected program and administrative

¹⁰ Iowa Department of Human Services, [Iowa Health and Wellness Plan Annual Report 1115 Demonstration Waiver January 1 – December 31, 2017](https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/Wellness-Plan/ia-wellness-plan-annl-rpt-2017.pdf), 7 (April 2018), <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/ia/Wellness-Plan/ia-wellness-plan-annl-rpt-2017.pdf>.

costs with and without the waiver. The public should then have an opportunity to comment on this important aspect of the application.

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

Center for Law and Social Policy
Center on Budget and Policy Priorities
Children's Defense Fund
Children's Dental Health Project
Community Catalyst
First Focus on Children
Georgetown University Center for Children and Families
Guttmacher Institute
Iowa Chapter of the American Academy of Pediatrics
Iowa Primary Care Association
March of Dimes
National Alliance on Mental Illness
National Association of Community Health Centers
National Association of Pediatric Nurse Practitioners
National Center for Law and Economic Justice
National Council for Behavioral Health
National Employment Law Project
National Health Care for the Homeless Council
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