August 7, 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 New Mexico's request to amend the Centennial Care 2.0 section 1115 demonstration project, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 7, 2019. The amendment would remove several restrictive policies and expand the availability of home visiting and Community Benefit (CB) services. We support making these changes to Centennial Care 2.0, and urge you to speedily approve New Mexico's request.

Elimination of Premiums will Remove Barriers to Care

New Mexico's proposal would eliminate the requirement that individuals with incomes between 100 and 138 percent of the poverty line pay $10 in monthly premiums this year, with the amount increasing to $20 per month in 2020. The state's request would also remove the requirement that individuals pay their monthly premium to effectuate coverage as well as the 90-day coverage lockout for premium non-payment.

New Mexico's request to eliminate premiums and the coverage lockout will remove barriers to care and improve access and health outcomes. A robust body of research finds that imposing premiums on low-income individuals decreases their participation in health coverage programs. A recent literature review by the Kaiser Family Foundation examined 65 papers published between 2000 and March 2017 on the effects of premiums and cost sharing on low-income people enrolled in Medicaid and CHIP. The authors concluded that premiums are a barrier to obtaining Medicaid and CHIP coverage, with the largest effect among those with incomes below poverty. Moreover, many of these individuals become uninsured. Those with lower incomes are most likely to become uninsured. Once uninsured, people face increased barriers to accessing care, greater unmet health needs and increased financial burdens.[1]

Governor Lujan Grisham's concern that premiums will negatively impact the continuity of coverage, impose unnecessary financial hardship on beneficiaries, and increase uncompensated care is well-founded, research shows. We support New Mexico's decision to eliminate premiums for its Medicaid expansion beneficiaries and encourage CMS to work with the state as it pursues different policy strategies that help keep people enrolled, avoid coverage lapses, and access needed medical care.

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

Removing Copayments Will Help Improve Access to Needed Care

The proposal also requests authority to remove copayments for non-preferred prescription drugs and non-emergent use of the emergency department (ED). While the state agrees that there's value in reducing unnecessary use of the ED, it doesn't believe that copayments "will be an effective strategy in driving provider and member behavior."[2] New Mexico is right to think this as evidence from Indiana's section 1115 demonstration project, the Healthy Indiana Plan, shows that a high co-payment on non-emergency use of the ED doesn't work to reduce such use.[3]

There's also evidence that copayments prevent people from seeking care. Kaiser Family Foundation's review of the literature on premiums and cost-sharing found that even small levels of cost sharing, in the range of $1 to $5, are associated with reduced use of care, including reduced use of necessary services. The review cites numerous studies that have found that cost sharing has negative effects on individuals' abilities to obtain needed care, worsens health outcomes, and increases financial burdens for families.[4]

While the authority for these copayments reside in New Mexico's Medicaid State plan, we support the state's request to remove these copayments and urge CMS to work with the state as it examines alternatives to reduce unnecessary ED use that wouldn't impede access to care and worsen health outcomes for beneficiaries.

Restoring Retroactive Coverage Will Help Beneficiaries and Providers

New Mexico intends to restore retroactive coverage, which provides Medicaid payments to providers for medical costs that beneficiaries incurred up to three months before enrolling in Medicaid if they were eligible for Medicaid during that period. While the state has implemented the first phase of its plan to eliminate retroactive coverage, it is seeking CMS' guidance on the "best and fastest way" to reverse the first phase of this policy. New Mexico's request also expresses the state's intent to forgo moving forward with the second phase in accordance with the waiver's current terms and conditions.

Retroactive coverage is an important Medicaid protection because it prevents medical debt and even bankruptcy and provides financial security to vulnerable beneficiaries, especially seniors and adults with disabilities who need long-term services and supports and may not be familiar with Medicaid or its eligibility rules. The financial protection retroactive coverage affords Medicaid beneficiaries is significant. For example, data from Indiana showed that, on average, individuals

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[2] State of New Mexico, "Request to Amend Centennial Care 2.0," June 7, 2019, https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nm/nm-centennial-care-pa2.pdf.

[3] The Lewin Group, "Healthy Indiana Plan 2.0: 2016 Emergency Room Co-Payment Assessment," October 4, 2017, https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-2016-emrgncy-room-copymt-assessment-rpt-10042017.pdf.

[4] Artiga, Ubri, and Zur, 2017.

with medical bills incurred prior to enrollment owed $1,561 to providers, which Medicaid would pay.[5]

In addition to protecting vulnerable individuals, retroactive coverage helps ensure the financial stability of safety net providers by paying for medical services that would otherwise have been uncompensated. Retroactive coverage provides reimbursement to hospitals and other safety net providers for care they have provided during the three-month period, helping them meet their daily operating costs and maintain quality of care.

Restoring retroactive coverage will avoid financial harm for both Medicaid beneficiaries and safety net providers. We support the state's request and urge CMS to approve it.

Support for Expanding Community Benefit and Home Visiting Services

New Mexico proposes to expand the availability of Community Benefit (CB) services, which include both personal care and home and community-based services, to over 1,500 beneficiaries. This change will expand access to community-based long term services and supports to more Medicaid enrolled beneficiaries with a nursing facility level of care need.

The state also proposes to expand its Centennial Home Visiting (CHV) pilot program by removing the restriction on the number of counties in which CHV can be implemented. The state also proposes to increase the number of members enrolled and allow the program to implement evidence-based models for the remaining waiver period. These changes will expand prenatal care, post-partum care, and early childhood development to more women and children in New Mexico, improving access and health outcomes.

We support these coverage expansions and urge CMS to approve them. We also note that our comments include numerous citations to supporting research, including direct links to the research for HHS' benefit in reviewing our comments. We have also attached several studies that aren't fully available through hyperlinks. We direct HHS to each of the studies cited and made available to the agency through active hyperlinks, and we request that the full text of each of the studies cited, along with the full text of our comments, be considered part of the administrative record in this matter for purposes of the Administrative Procedure Act.

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).

CC: Seema Verma, Calder Lynch, Judith Cash

[5] July 29, 2016 letter from the Centers of Medicare and Medicaid Services to the state of Indiana, available at https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-lockouts-redetermination-07292016.pdf.

Autistic Self Advocacy Network
Center on Budget and Policy Priorities
Community Catalyst
First Focus on Children
Georgetown University Center for Children and Families
Guttmacher Institute
Justice in Aging
LeadingAge
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 Employment Law Project
National Health Care for the Homeless Council
National MS Society