January 4, 2019

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

Dear Secretary Azar,

National Patient Advocate Foundation (NPAF) appreciates the opportunity to provide feedback on the Virginia COMPASS 1115 Demonstration Extension Waiver. NPAF supports policies that sustain and expand Medicaid to meet the needs of low-income adults and children confronting chronic or serious illness. We are concerned that requiring the most vulnerable patients and families in Virginia to report completing work and community engagement hours to maintain their health benefits, coupled with cost-sharing and reporting challenges, may lead to negative health consequences and further financial distress.

NPAF represents the voices of millions of adults, children and families coping with serious and chronic illnesses nationwide as the advocacy affiliate of Patient Advocate Foundation (PAF). Based out of Hampton, Virginia, PAF provides direct case management, financial support and educational services to tens of thousands of primarily low-income patients and caregivers across the U.S. each year who are experiencing distressing financial, employment, insurance coverage, or material hardships because of their health conditions. Over the past ten years, PAF has been a vital safety net for over 13,000 patients and families in Virginia. Almost ninety percent of Virginians served between January 2017 and June 2018 had non-Medicaid coverage and sixty percent of them made less than $23,000 per year[1], many of whom may now qualify for Medicaid under the new threshold at 138% of federal poverty level (FPL).

We applaud Virginia for recently expanding its Medicaid program to cover nearly 400,000 low-income individuals and families. Virginia's fiscal impact review estimates that this proposal would apply to 120,000 individuals, and almost half (45%) will already meet the work or engagement requirements. We are concerned, however, that conditioning coverage on 20 hours of work activity per week for people living with serious or chronic health conditions would have harmful consequences. In fact, it has been estimated that compliance challenges may cause approximately 21,600 beneficiaries in Virginia to lose coverage in 2020.[2] Arkansas recently implemented a similar policy that caused 16,932 individuals to lose coverage, and they will remain locked out until January 2019.[3] Virginia cannot afford imposition of similar administrative burdens and resulting coverage gaps for its most vulnerable residents.

NPAF is encouraged by the proposal's self-attestation of exemptions and implementation of a "no wrong door" policy to make multiple options available for beneficiaries to report their

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[1] Patient Advocate Foundation. Internal Case Management Data.

[2] Virginia Compass. DMAS relied on estimates included in the fiscal impact review conducted by the Joint Legislative Audit and Review Commission. Available at: http://lis.virginia.gov/cgi-bin/legp604.exe?181+oth+HB338JH1110+PDF

[3] Kaiser Family Foundation. A Look at November State Data for Medicaid Work Requirements in Arkansas. Updated December 2018. Available at: http://files.kff.org/attachment/Issue-Brief-A-Look-at-November-State-Data-for-Medicaid-Work-Requirements-in-Arkansas

compliance and attest to an exemption online, by phone, mail, or in person. Communication efforts informing people about the requirements, reporting and exemptions should specifically include supplemental outreach with navigation assistance to help beneficiaries understand the new requirements and how to comply with them so preventable coverage lapses can be minimized, particularly for low-income patients who often sacrifice food and other daily living expenses to pay for medical treatment needs. PAF case managers consistently report that household material hardships such as inability to afford transportation, rent or mortgage and utilities were among the top five issues of patients seeking assistance.[4] Access to needed healthcare should not be restricted because of separate challenges balancing financial and household material hardships.

We are also concerned with the proposed Health and Wellness Program that would introduce cost sharing through monthly premiums to fulfill a $50 or $100 deductible obligation and co-payments for non-emergent use of the emergency department. We believe that new cost-sharing requirements and leveraging health and wellness accounts (HWA) in Medicaid to will create confusion and further impede access to care rather than prepare individuals for employer-sponsored health coverage or incentivize healthy behaviors. Current research shows a mixed impact on beneficiaries' health and costs, however, states that have implemented incentive programs found the approach to be more complex, time-consuming and resource-intensive than expected.[5] We urge HHS to consider outcomes in other states such as Oregon, where implementing a $20 monthly premium in their Medicaid program led to almost half of beneficiaries losing coverage.[6]

Coverage losses due to work and cost-sharing requirements would lead to disruptions in chronic disease management and delays in treatment. As a result, people's health and well-being would suffer and counteract the demonstration waiver goals of promoting health, wellness, and greater financial stability and self-sufficiency for Medicaid enrollees who are subject to this proposal. In fact, research indicates that work requirements do not necessarily encourage work or reduce poverty, and a growing body of evidence demonstrates that such policies could result in reduced access to care, adverse health outcomes and increased health disparities.[7] Additionally, surveys of unemployed Medicaid beneficiaries in other states indicate that having Medicaid coverage facilitated their job search.[8]

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4 Patient Advocate Foundation. Annual Impact Report. 2017. Available at: https://www.patientadvocate.org/wpcontent/uploads/2017_AnnualImpactReport.pdf

[5] Saunders R et al. Duke Margolis Center for Health Policy. Are Carrots Good for Your Health? Current Evidence on Health Behavior Incentives in the Medicaid Program. June 2018. Available at: https://healthpolicy.duke.edu/sites/default/files/atoms/files/duke_healthybehaviorincentives_6.1.pdf

[6] Kaiser Family Foundation. The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings. June 1, 2017. Available at: https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/

[7] Kaiser Family Foundation. Issue Brief. The Relationship Between Work and Health: Findings from a Literature Review. Aug 7, 2018. Available at: http://files.kff.org/attachment/Issue-Brief-The-Relationship-Between-Work-and-Health-Findings-from-a-Literature%20Review

[8]CLASP. Fact Sheet. The Evidence Builds: Access to Medicaid Helps People Work. Updated Dec 2017. Available at: https://www.clasp.org/sites/default/files/publications/2017/04/The-Evidence-Builds-Access-to-Medicaid-Helps-People-Work.pdf

A variety of factors lead patients to enter and rely on Medicaid. We urge HHS protect patients from losing their health care by rejecting the Virginia COMPASS 1115 Demonstration Extension Waiver. NPAF supports person-centered initiatives that ensure all patients and families have equitable access to affordable, quality care. Please contact Nicole Braccio, policy director, at 202-516-5212 or Nicole.Braccio@npaf.org if we can provide further details or assistance.

Respectfully submitted,

Rebecca A. Kirch
EVP Health Care Quality and Value

Supporting Documentation Attached (6)