SLHI
A Catalyst for Community Health

September 17, 2015

Mr. Tom Betlach
Director
AHCCCS
801 E. Jefferson St. MD 4100
Phoenix, AZ 85034

Dear Director Betlach:

Thank you for the opportunity to comment on the proposed Medicaid waiver. As a public foundation based in Arizona, we are committed to improving the health of all Arizonans. We strongly believe the direction of our state's Medicaid program influences Arizona's overall health system and the health outcomes of millions of people in our state.

We enthusiastically support many aspects of the proposed waiver. We support AHCCCS' proposed approach to Delivery System Reform Incentive Payments (DSRIP). This summer, St. Luke's Health Initiatives convened community leaders representing hospitals, FQHCs, behavioral health providers, community development representatives and public health officials to discuss opportunities to more fully leverage Medicaid and federal funding opportunities to improve the health of Arizonans. (A copy of the ideas and priorities discussed in the report is attached.) The consensus among the group was that priorities should include further addressing:

- the integration of behavioral health and acute care (including further supporting health information exchange),
- the needs of high utilizers of health services,
- improved coordination of care, and,
- new collaborations to improve population health.

As a grant-making foundation, we welcome opportunities to share best practices that we have gleaned from existing Arizona efforts that we have funded, and we are open to discussing other types of public-private partnerships. For

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example, we welcome sharing information on collaborations that we are involved with related to community paramedicine and addressing the needs of high utilizers of services such as portions of the homeless population.

We enthusiastically endorse efforts supporting American Indian medical homes. We also support the broader use of technology to communicate with AHCCCS members, and efforts to further reduce fragmentation among healthcare programs. Finally, we support efforts to promote the use of chronic disease self-management, and strategies to incentivize attainment of defined wellness targets among AHCCCS members.

While we support many aspects of AHCCCS's waiver request, there are also areas of concern. These include provisions related to:

Co-Pays: While we appreciate AHCCCS's strategic approach to implementing co-pays, we believe that these provisions may be too broad, potentially inflicting harm on a low-income, vulnerable population. In particular, we believe that the co-pay provisions could be strengthened by altering co-pay requirements related to opioids and non-emergency use of hospital emergency departments.

We are concerned that those suffering from chronic pain may be limited in their ability to access pain-reducing medicine. Evidence suggests that effective pain management (including appropriate use of opioids) can reduce ED utilization.[1] We suggest that this co-pay requirement allow for further exceptions for those engaged in palliative care or under the supervision of a pain management specialist.

As for the emergency department co-pays, we have concerns that it may be difficult to determine what constitutes appropriate versus inappropriate use of an emergency room.[2] If such co-pays were to be implemented, we suggest that AHCCCS use a reasonably prudent person standard.[3] We also believe it is important to couple any strategic co-pay for inappropriate emergency department use with efforts aimed at providing viable alternatives for people to seek care when they need it. If implemented, we encourage AHCCCS to couple the co-pays with efforts to expand primary care, ambulatory clinics and urgent care hours and locations. We also believe efforts aimed at addressing the needs of high-utilizers of health services and strengthening health homes for those with behavioral health and physical health needs could further curb emergency department use.[4]

Premiums and HSAs: St. Luke's Health Initiatives has helped convene and support the Cover Arizona coalition for the last two years. Due in part to the efforts of this coalition's 800+ members, more than 500,000 Arizonans have gained health coverage through AHCCCS and the Marketplace. We are *very concerned* that a new requirement for monthly premiums will stymie that progress, resulting in many Arizonans losing coverage. Research suggests that cost-sharing for Medicaid enrollees has a negative impact on enrollment, and may lead to decreased use of primary care and increased use of emergency care.

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[1] The New York Times http://well.blogs.nytimes.com/2013/12/02/palliative-care-the-treatment-that-respects-pain/?_r=0; See also The New England Journal of http://www.nejm.org/doi/full/10.1056/NEJMe1004139 and Health Affairs http://healthaffairs.org/blog/2015/04/23/more-from-the-grantmakers-in-health-annual-conference-diane-meier-on-palliative-care-a-film-on-elder-care/

[2] American Journal of Emergency Medicine http://www.sciencedirect.com/science/article/pii/S0735675797900838 See also Health Affairs http://content.healthaffairs.org/content/29/9/1630.full

[3] See 45 CFR 147.138(b)(4)(i). See also A.R.S. 20-2801(3).

[4] Centers for Medicare and Medicaid Services. http://www.medicaid.gov/Federal-Policy-Guidance/Downloads/CIB-01-16-14.pdf

For example, cost-sharing implemented by the Oregon Health Plan was recently reported to have led to an exodus of the plan's poorest members.[5] We also question whether consumers will be able to make such payments easily, given that nearly 13 percent of Arizonans are "unbanked." [6] Finally, we question whether the administrative cost of implementing cost-sharing requirements will undermine the administrative efficiency of the Medicaid program.[7]

If monthly premiums and HSAs are to be implemented, we encourage AHCCCS to allow individuals to withdraw money from their account to be reimbursed for co-pays. By allowing AHCCCS recipients to use their HSAs for this purpose, AHCCCS will be mirroring practices of the private sector, further preparing AHCCCS recipients to better prepare themselves for utilizing private health insurance in the future. While we are pleased to see that the current waiver plan encourages the use of HSAs to fund preventive, non-covered services such as dental care, we are concerned that those who have chronic or costly medical conditions may be limited in their ability to access their HSA to address the cost of their immediate health care needs.

Finally, we want to make clear that foundations such as ours do not typically contribute to individuals (or their HSAs) to address their healthcare needs. Instead, we typically contribute to organizations or programs that more broadly or systemically address health issues. That said, foundations such as ours are eager to find ways to more broadly partner with government to help improve health systems and population health, and we have a strong history of putting this into action.

Five-Year Limit and Work Requirements: We strongly oppose arbitrary time limits on Medicaid and requirements tying Medicaid to work. We believe that defining "able-bodied" will be very challenging. Currently, many very sick, physically or mentally impaired individuals are not able to work, yet do not qualify under existing disability categories. For example, older adults with serious health conditions who lost their jobs in the Great Recession and retired early to receive social security benefits may not qualify for work requirements or time limit exceptions. Caregivers who need to stay home to care for a physically or mentally disabled loved one would be required to work, potentially resulting in costly institutionalization of their loved one.

While we take exception to these requirements, we do commend AHCCCS' desire to connect those receiving AHCCCS with information on employment services available through the Arizona Department of Economic Security, and encourage AHCCCS to continue to partner more broadly with other public and private sector organizations to address the social determinants of health of Medicaid recipients, including employment and housing.

Non-Emergency Transportation: We are concerned about the proposal to eliminate non-emergency transportation. In Arizona, there are profound health workforce shortages, and many areas of the state are deemed medically underserved by the federal government. Couple that with relatively weak public transit use in some of the state's major urban areas and vast swaths of rural and frontier areas, and the ability to access medical services becomes especially problematic without access to paid transportation for those who need it.[8]

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[5] Health Affairs http://content.healthaffairs.org/content/24/4/1106.full

[6] FDIC https://www.fdic.gov/householdsurvey/2013appendix.pdf

[7] Modern Health Care http://www.modernhealthcare.com/article/20150608/NEWS/150609910?utm_campaign=KHN:%20Daily%20Health%20Policy%20Report&utm_source=hs_email&utm_medium=email&utm_content=18203796&_hsenc=p2ANqtz-8EsNq2ACZZZyF3Zg5hPJBH_ERXwzZITMNiDJuPP0mEyonop-GPDYNgwJQmIDXVxfn2GKWp32Fjq9W3RPpb84Mvydd6OQ&_hsmi=18203796

[8] St. Luke's Health Initiatives http://slhi.org/health-workforce-healthy-economy-january-2015/
Five Thirty Eight http://fivethirtyeight.com/datalab/how-your-citys-public-transit-stacks-up/

Thank you for the opportunity to respond to the waiver proposal. We deeply value AHCCCS's continued commitment to innovation and improvement, and we welcome opportunities to collaborate on many of these efforts in the future.

Sincerely,

Suzanne Pfister
President and CEO