

October 15, 2015

Ms. Sylvia Mathews Burwell  
Secretary of Health and Human Services  
200 Independent Avenue, SW  
Washington, DC 20201

Dear Secretary Burwell:

We are writing on behalf of Benefis Health System to request your support and approval of the Montana Medicaid Expansion waivers.

Benefis serves a population of 230,000 within a 41,000 square mile region. As an independent, not-for-profit health system, we provide a comprehensive continuum of care, and our mission is to "provide excellent care for all, healing body, mind and spirit."

Our service region is poor relative to other areas of the country, with household incomes averaging less than \$47,000. Medicaid expansion will fill a crucial coverage gap in our area, and stands to make a significant positive impact on the lives of the patients we serve.

### **Financial Participation by the Medicaid Beneficiary**

The requirement of financial participation by the beneficiary and the use of a third party administrator is at the core of the waivers sought by Montana. The Montana legislature found it essential that there be a shared financial burden as a condition of extending coverage.

The financial impact of a modest premium on the beneficiary is mitigated by assuring that persons below 100% of federal poverty do not lose coverage if they are unable to make a premium payment. Those persons between 100% and 138% of federal poverty may also avoid losing coverage for various circumstances, including working to improve their health status. Unlike other State waiver proposals, Montana has not proposed any lockout provisions in its program.

Montana proposes to impose copayments on the expansion population. Montana Medicaid currently has copayments in place for the beneficiaries, including the exceptions required under federal law. Among those exceptions is a condition that a provider may not refuse care due to the beneficiary's inability to make a copayment.

There are some who are concerned about the financial burden of copayments. This concern should be balanced against the fact that copayments will be nominal in amount, and will exclude emergency services. The plan also provides additional exceptions for prevention and wellness services, among other things.

### **Eligibility**

Montana proposes to provide a 12-month continuous period of eligibility for persons who qualify for coverage. We understand that income earned by potentially eligible beneficiaries can vary during the year. A small increase in income could mean that the beneficiary could be placed in a private insurance

## **BENEFIS HEALTH SYSTEM**

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Benefis Hospitals, Inc. | Benefis Medical Group, Inc. | Benefis Community Hospitals, Inc.

Benefis Spectrum Medical, Inc. | Benefis Senior Services, Inc. | Benefis Health System Foundation, Inc.

plan with subsidies on the exchange. We expect that for those whose incomes are reasonably assured to increase beyond the Medicaid coverage limits that a person might make that change in coverage.

But for many others whose incomes may fluctuate erratically during the year, continuous eligibility will assure continued health coverage and reduce administrative costs. The Department is statutorily authorized to propose this policy under the general state statute, so the measure is not required to be specified in State enabling legislation. Benefis Health System supports the Department's proposal to provide a 12-month eligibility period.

### Coverage Options

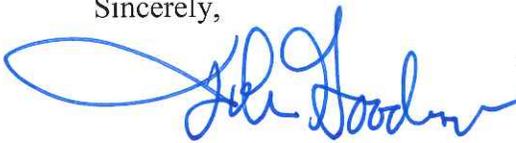
Without federal approval of the approach adopted by the Montana legislature, there will be no expansion in Montana. Without expansion, the people we propose to serve will be left without a realistic option for health coverage.

Montana's legislation is a starting point that we believe merits federal support. Like any health care delivery system, Montana expects to evolve over time as we test our approach and continue to seek improvements in the Medicaid program.

Montana proposes to begin coverage on January 1, 2016. To do so requires CMS approval at the earliest time possible. There is much work to be done to provide the systems necessary to determine eligibility and to enroll the expansion population. To delay the waivers means that coverage needed by so many is delayed as well.

Benefis Health System urges the Secretary to approve Montana's waiver application in time for the 2015 open season period for insurance.

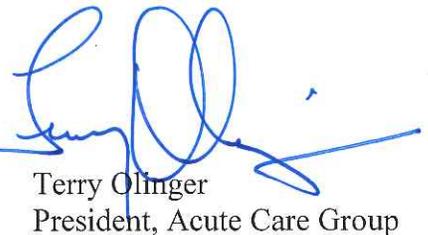
Sincerely,



John Goodnow  
Chief Executive Officer



Forrest Ehlinger  
Chief Financial Officer



Terry Olinger  
President, Acute Care Group



Amy Beames  
Senior Vice President



Terry Preite  
President, Spectrum Medical



Rayn Ginnaty  
Vice President Nursing



Dan Hollow  
President, Foundation