



# Legacy Foundation of Southeast Arizona

PROMOTING POPULATION HEALTH AND COMMUNITY WELLNESS  
THROUGHOUT SOUTHEAST ARIZONA

RE: Arizona Health Care Cost Containment (AHCCCS) - State Bill 1475 and State Bill 1092;  
Section 1115 Waiver Request Comments

Honorable Sylvia Mathews Burwell  
Secretary, Department of Health and Human Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850

The Legacy Foundation of Southeast Arizona is a health care conversion foundation with assets of 65 million dollars and is located in Sierra Vista, Arizona. Its mission is *Promoting Population Health and Community Wellness Throughout Southeast Arizona*.

In light of our commitment to health and wellness, the Foundation is greatly concerned with many of the provisions contained in the Section 1115 waiver request submitted by the State of Arizona.

The Foundation is especially concerned with respect to the following issues: employment requirement, five-year limitation on AHCCCS benefits, non-emergency transportation, and copayment issues.

- **Lack of Financial Resources** Medicaid recipients have significantly fewer financial resources than typical community insured patients, and cost sharing of premium and copay requirements presents significant challenges with this population. Access to basic necessities such as housing and nutritional food can be as important to healthy outcomes as access to appropriate medical services. Hence, the added financial requirements contemplated represent a financial hardship on these individuals.
- **Unbanked Enrollees** According to the AHCCCS Care proposed program, a third party administrator would be responsible for collecting premiums and co-pays after services are rendered. A major concern is how this would work for “unbanked” enrollees,” i.e., enrollees without a bank account. Will recipients be required to open a bank account? If cash payments are accepted, will the program have branch offices in rural areas?

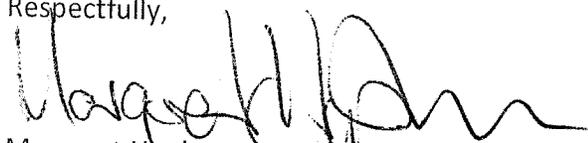
PO BOX 1089, SIERRA VISTA, AZ 85636  
PHONE 520-335-6015 FAX: 520-335-8566

- **Unnecessary Emergency Room Visits** Appropriate use of copayments and penalties for non-emergency use of emergency room (ER) visits are a concern. The attractiveness of using copayments for the purpose of dissuading unnecessary ER visits has been addressed in recent studies that have cast doubt on whether these targeted copayments result in reduced utilization and cost savings. There is a lack of consensus regarding what constitutes an inappropriate, non-emergent, or unnecessary ER visit. No two studies have defined non-urgent visits in the same way. In reality, a determination can only be made based on a final diagnosis after diagnostic tests are run, not on the presenting symptoms. Copayments for 'non-emergent' use of the ER may unfairly penalize some patients who are appropriately using the emergency department, and may deter patients from seeking necessary care.
- **Missed Appointments** Medicaid recipients have a higher rate of missed appointments than commercially insured patients; however, the review of the literature identifies several possibilities: (1) difficulty with transportation; (2) unsuitable or poorly scheduled appointment times; (3) forgetting the appointment was scheduled; (4) being sick or having a sick child; and (5) lack of child care. The Administration should be mindful of these reasons when implementing a copayment for missed appointments.
- **Non-Emergency Transportation** Access to non-emergency transportation is a key factor in ensuring access to care for many Medicaid recipients. As a rural county, Cochise County is federally deemed as medically underserved and access to medical professionals is very difficult. In addition, there is virtually no public transportation system in Cochise County. Hence non-emergency transportation is a critical component of the delivery system for Medicaid recipients who have no means of transportation.
- **Work Requirement** There are concerns regarding the work requirements proposed under the legislative directives. Introduction of a policy requiring members to obtain work assumes a preponderance of low-income, able-bodied individuals who are electively abstaining from work. Furthermore, there is the assumption that Medicaid recipients are not employed, another fallacy. Many are employed but cannot afford health insurance and are part of the "Working Poor" group. It also assumes a plethora of jobs is available for these individuals; yet, there is no evidence to justify these assumptions. In addition, the reporting requirements imposed on these individuals are onerous. One question which presents itself: Will the Department of Economic Security's employment monitoring system capture all types of employment activity and job searches?

- **Five Year Limit** There are serious concerns with the lifetime limit of five years for Medicaid benefits. Medicaid is a counter cyclical program. When the economy contracts and people lose their jobs, the Medicaid rolls expand. Individuals may likewise get sick and lose their job, becoming eligible for Medicaid. Once recovered and back to work, the individual may no longer be eligible for Medicaid. These cycles can repeat themselves on and off over a person's lifetime. A five-year limit on benefits is arbitrary and would needlessly limit a person's access to medical services.

The negatives contained in this waiver request represent barriers to care for the citizens who reside in the 6,000 square miles of Cochise County. It is the Foundation's position that the items delineated in our comments penalize rather than serve our population. On behalf of our Foundation and its board of directors, I request you deny the waiver request.

Respectfully,

A handwritten signature in black ink, appearing to read 'Margaret Hepburn', written in a cursive style.

Margaret Hepburn, CEO, RN, MSN, FACHE