



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

Dear Secretary Burwell,

Susan G. Komen® Arizona's promise is to save lives and end breast cancer forever by empowering people, ensuring quality care for all and energizing science to find the cures. Komen Arizona is the largest breast cancer foundation in the state, funding more than \$26.6 million in community grants in Arizona since 1993 to those who are low income, uninsured and underinsured. These funds have provided 157,771 education contacts, 49,840 screening mammograms, 8,403 diagnostics and 7,012 individuals received lifesaving breast cancer treatment.

Komen Arizona's mission is to cover the gaps in breast cancer services and resources for those who are low income, uninsured or underinsured. Komen Arizona does not receive federal grants or funding. To ensure Komen Arizona's limited community grant dollars are used ONLY as last resort to reach as many of those who do not have access to or qualify for any other resources, such as state Medicaid or AHCCCS, Komen Arizona depends on community partnerships, collaborations between the public and private sectors and robust and impactful public policy initiatives. The expansion of Medicaid to cover the population 100-133% of the Federal Poverty Limit (FLP) had the most significant impact on closing the gap of services for low income, uninsured and underinsured men and women in Arizonan.

As a community and public health advocate which is a nonpartisan organization, Komen Arizona is greatly concerned with the items included in the Arizona proposal submitted October 2015, titled "Arizona's Application for a New Section 1115 Demonstration." The areas of the proposal which Komen Arizona is most concerned are the legal nature of the application as well as the public health impact. Komen Arizona would like to request CMS to give additional thought and consideration to the concerns outlined in the letter submitted by William E. Morris Institute for Justice. The legal analysis is the most thorough and comprehensive legal analysis submitted. William E. Morris Institute for Justice legal analysis begins on page 138 of the application package previously submitted by AHCCCS. Furthering the support of the questioned legal nature of the waiver proposal, Arizona Congresswoman Ann Kirkpatrick, Congressman Ruben Gallego, and Congressman Raul Grijalva, write in their collaborated letter, "Federal law allows a waiver only to facilitate experimental, pilot or demonstration projects that are found to promote the objectives of Medicaid. This proposal should be rejected on the basis that it contradicts the objectives of the Medicaid Act and Section 1115 of the Social Security Act and will harm low income individuals."

From a public health perspective, the demonstration waiver proposal seems to fail to miss the opportunity and the true spirit for which the waiver is intended – which is to use the flexibility allowed within a waiver request to gain permission from CMS to implement innovative or creative elements to improve the Medicaid programs and services while improving health behaviors and outcomes of the populations it serves. It appears that there is little to nothing in the proposal which is evidence based or supported to positively change health behaviors or improve health outcomes for the 0-133% FPL AHCCCS population. Therefore, what is proposed appears to instead create barriers to care and access to care for those who are eligible. This would be in direct contradiction of the purpose and benefit which a demonstration waiver is intended. Below is a list of the specific concerns Komen Arizona shares with the proposed Arizona demonstration waiver request.

AHCCCS CARE: Requiring Member Contributions (Copays and Premiums)

AHCCCS CARE: Requiring Member Contributions

- *Copays: Up to 3% of annual household income. Members will make monthly AHCCCS CARE payments reflecting copays for services already obtained.*
- *Premiums: Up to 2% of annual household income. Included in the monthly AHCCCS CARE payment is a premium requirement set at 2% of income.*
- *Member contributions do not exceed 5% of annual household income.*

Komen Arizona does not support or endorse the recommendation to require copays or premiums. The state proposal does not meet the federal requirements or establish any demonstration value, we urge you to immediately reject these requests.

“The findings of our analyses of copayments in Utah indicate that even “nominal” copayments in the range of \$2 or \$3 can significantly reduce patients’ use of medical care or prescription drugs when they are applied to poor Medicaid patients. Medicaid patients may be particularly vulnerable to cost-sharing because they are both poorer and, in general, less healthy than middle-class privately-insured patients.”¹

“Supporters of the expanded use of premiums and cost-sharing in Medicaid expansion waivers argue that individuals receiving Medicaid coverage should have some “skin in the game” and be responsible for some of their health care costs. However, research from pre-health reform waivers and other state-funded programs for low-income people shows that changing premiums to low-income people results in many eligible people foregoing or delaying coverage and remaining uninsured. For those with coverage, copays and other cost sharing charges have been shown to keep low-income people from accessing needed care.”²

In regards to cost effectiveness, in 2006 AHCCCS completed a study which illustrated that required copays and premiums for low income individuals could create barriers to access to care. More low income individuals would become uninsured and there would be a negative impact on the state budget. In 2006, Arizona’s Medicaid agency conducted a fiscal impact study for the state legislature to determine how much the state could save from charging premiums as well as the higher co-pays

¹ Jack Hadley and John Holahan, “Is Health Care Spending Higher Under Medicaid or Private Insurance?” Inquiry, 40:323-42, Winter 2003/2004.

² Laura Snyder and Robin Rudowitz, “Premiums and Cost-Sharing in Medicaid: A Review of Research Findings,” Kaiser Commission on Medicaid and the Uninsured, February 2013, <http://kff.org/medicaid/issue-brief/premiums-and-cost-sharing-in-medicaid-a-review-of-research-findings/>

allowed by the Deficit Reduction Act of 2005.³ “The fiscal impact study showed that it would cost Arizona about \$15.8 million to collect premiums and cost-sharing charges while raising only about \$2.9 million in premiums and \$2.7 million in co-pays.”⁴ Therefore, it is highly possible that administration costs for collection of premiums and copays would far outweigh any perceived cost savings benefits.

Employing Strategic Copays (Emergency Room Department Use)

Komen Arizona does not support the use of strategic copays to reduce ED visits and costs when the usage is cited by AHCCCS as relatively low and other evidence based best practices show this can be accomplished without strategic copays included. The state proposal does not meet the federal requirements or establish any demonstration value, we urge you to immediately reject these requests.

“Overall, AHCCCS members have a relatively low rate of non-emergency ED utilization particularly when compared to the national averages. AHCCCS and its Contracted health plans continue to develop and use interventions that insure appropriate ED utilization.”⁵

“CMS is very supportive of efforts to ensure that appropriate care is delivered in the most appropriate settings. Successful strategies to reduce inappropriate ED use can have the enhanced benefit of improving care and lowering costs.”⁶ Indiana is just one of several states which implemented successful targeted strategies without the use of strategic copays, which lead to a 72% reduction in inappropriate ED use.⁷

The AHCCCS CARE Account: Giving People Tools to Manage Their Own Health (Health Savings Accounts) Personal Responsibility: Enforcing Member Contribution Requirements

- *Over 100% FPL: Members will be disenrolled from the AHCCCS program for a period of six months for failure to make AHCCCS CARE payments.*
- *Under 100%: Failure to make AHCCCS CARE payments is counted as a debt owed to the State. AHCCCS will work with the Arizona Department of Revenue as to how best to operationalize this aspect of the program.*

Komen Arizona does not support Health Savings Accounts for Medicaid patients, or reinforcement requirements for contributions into members’ AHCCCS CARES accounts. The state proposal does not meet the federal requirements or establish any demonstration value, we urge you to immediately reject these requests.

³ Jessica Schubel and Judith Solomon, “States Can Improve Health Outcomes and Lower Costs in Medicaid Using Existing Flexibility,” Centers on Budget and Policy Priorities, April 2015.

⁴ **Arizona Health Care Cost Containment System**, “Fiscal Impact of Implementing Cost Sharing and Benchmark Benefit Provisions of the Federal Deficit Reduction Act of 2005,” December 13, 2006, http://www.azahcccs.gov/reporting/Downloads/CostSharing/FINAL_Cost_Sharing_Report.pdf.

⁵ REPORT TO THE DIRECTORS OF THE GOVERNOR’S OFFICE OF STRATEGIC PLANNING AND BUDGETING AND THE JOINT LEGISLATIVE BUDGET COMMITTEE, “Arizona Health Care Cost Containment System: Emergency Department Utilization,” December 1, 2013, <http://www.azahcccs.gov/reporting/Downloads/NonERuseER.pdf>

⁶ Centers for Medicare & Medicaid Services, “Reducing Nonurgent Use of Emergency Departments and Improving Appropriate Care in Appropriate Settings,” CMCS Informational Bulletin, January 16, 2014, <http://www.medicare.gov/Federal-Policy-Guidance/downloads/CIB-01-16-14.pdf>.

⁷ Medicaid Health Plans of America, “2011-2012 Best Practices Compendium,” <http://www.mhpa.org/upload/2011-2012%20Compendium%20WEB.pdf>.

Previously, CMS has not supported requiring payments from individuals who are lower than 100% FPL. Komen CAN AZ asks CMS to continue to support this position given that the manner in which the state has laid out how it will collect the payment (which has been described as a “debt”) is not specific or explicit. The administrative cost of collecting and monitoring payments is likely to outweigh any perceived savings while working to create barriers to access to insurance and care for the low income individuals 100-130% FPL.⁸

AHCCCS Works: Getting Back to Work

- *The Requirements: Per legislative directives like SB1092, **all able-bodied individuals** must be employed, actively seek employment or attend school or a job training program.*
- *Work Incentives: In addition, AHCCCS Works builds in Work Incentives.*
 - *Employers that contribute to their employee’s AHCCCS CARE Account can reduce their employee’s contribution requirements or that member can use their employer’s contribution to build up funds in their AHCCCS CARE Account that can be used for non-covered services.*
 - *The AHCCCS Works program will also partner with existing employment supports programs, like the program administered by the Arizona Department of Economic Security (DES) to provide members the tools they need to build their skills and find their confidence.*
 - *Once a member’s income exceeds AHCCCS eligibility, their AHCCCS CARE Account transfers to a private HSA account or can be maintained through the AHCCCS CARE administrator that they can continue to use.*

Komen Arizona does not support requiring employment for “able-bodied individuals.” “Able-bodied” is defined in the 1115 demonstration waiver request as “an individual who is physically and mentally capable of working.” There are far too many existing physical and mental health issues for this vague term to be applied and universally accepted. The state proposal does not meet the federal requirements or establish any demonstration value, we urge you to immediately reject these requests.

Senate Bill 1092:

36-2903.09. Waivers; annual submittal; definitions

2. Place on able-bodied adults a lifetime limit of five years of benefits under this article that begins on the effective date of the waiver or amendment to the current section 1115 waiver and does not include any previous time a person received benefits under this article.

Komen Arizona does not support the lifetime limit of five years for “able bodied” adults. As the state’s largest breast cancer foundation, we know that breast cancer treatment and its side effects can last longer than five years. For instance, metastatic breast cancer arises months or years after a person has completed treatment. The state proposal does not meet the federal requirements or establish any demonstration value, we urge you to immediately reject these requests.

⁸ 13 Andy Davis, “Bill asks pause to care changes,” Arkansas Democrat-Gazette, January 24, 2015, <http://www.arkansasonline.com/news/2015/jan/24/bill-asks-pause-to-care-changes-2015012-2/>.

Delivery System Reform Incentive Payment (DSRIP):

“The specific transformation models and arrangements will be established based on the findings of the stakeholder driven State Health System Innovation Plan, developed through the Arizona SIM Model Design award.”

The DSRIP can be an effective and important tool allowed under the 1115 demonstration waiver request. However, Arizona has not detailed the plan for the DSRIP in this request so it is unclear or unknown what CMS would be approving or Komen Arizona would be endorsing. Therefore, more details, information and understanding of the DSRIP proposal should be required prior to any approval or endorsement. The document “State Experiences Designing and Implementing Medicaid Delivery System Reform Incentive Payment (DSRIP) Pools” is a document which should be encouraged to be used in creating an Arizona DSRIP. (Attached)

Komen Arizona has concern that this process through the AZHIP has not been fully transparent, inclusive and diverse. Komen CAN AZ will not support any initiative in which the DSRIP may be used to threaten or create barriers to care and insurance for the 100-133% FPL low income population, or any initiative through the DSRIP which may increase the likelihood or opportunity for low income individuals (0-100% FPL) to unknowingly or mistakenly self disenroll from insurance coverage through AHCCCS.

Komen Arizona will support the opportunity the DSRIP allows to improve efficiencies, streamline systems and improve patient outcomes (Ex. New York DSRIP to reduce ED visits by 25% through community collaborations). In the true spirit of the DSRIP, Komen CAN AZ suggests the following changes are implemented moving forward:

- a DSRIP which defines “stakeholders” at a minimum as those who represent hospitals systems, Federal Qualified Community Health Centers, Public Health Professionals, Public Health non profit organizations, community organization which represent disparate populations and AHCCCS beneficiaries, Insurance Plans, etc.
- The stakeholders will select a leader to represent the interests of the stakeholders at any State Innovation Models (SIM) or AZHIP meetings.
- Consensus and approval for any DSRIP initiatives must be gained through a majority vote at stakeholder meetings and this must be documented in meeting minutes.
- Any and all meeting materials will be made available and accessible to stakeholders before, during and after meetings.
- All materials relating to the DSRIP (meeting dates, meeting minutes, initiatives, progress and outcomes, etc.) will be made available and accessible on the Arizona Department of Health Services website.
- The document, “State Experiences Designing and Implementing Medicaid Delivery System Reform Incentive Payment (DSRIP) Pools” be used as the basis and evidence to support any initiative through the DSRIP.

Komen Arizona's promise is to save lives and end breast cancer forever by empowering people, ensuring quality care for all and energizing science to find the cures. Items listed in the waiver appear to threaten or work to undo the Medicaid expansion and insurance provided to the newly insured population of 100-133% FPL, creating barriers to care and access to care and ultimately limiting quality care for all. As a public health foundation that fills the gaps in breast cancer services for those with limited or non-existent resources, Komen Arizona resources alone cannot meet the need and demand for services which continues to increase. As shown, public health publications evidence and research show that the 1115 demonstration waiver request measures outlined in this document will neither improve health outcomes for low income individuals nor reduce costs. Help us keep affordable, comprehensive health care available to the most vulnerable populations in Arizona.

Thank you for your time and thoughtful consideration in reviewing the concerns of Komen Arizona.

Sincerely,

A handwritten signature in black ink that reads "Heather N. Roberts". The signature is written in a cursive, flowing style.

Heather Roberts, Executive Director
Susan G. Komen® Arizona