

August 2, 2016

Sylvia Matthews Burwell, Secretary
Health and Human Services
200 Independence Avenue. S. W.
Washington, D.C. 20201
Submitted online at Medicaid.gov

RE: Public Comment in Opposition to 1115 Demonstration Waiver

The Mental Health & Addiction Advocacy Coalition (MHAC) is a statewide coalition made up of over 100 organizations. The MHAC's members exemplify the diversity of community organizations that have a common interest in behavioral health including: health and human service organizations, the faith-based community, advocacy organizations, courts, major medical institutions, the corporate arena, and behavioral health agencies serving adults and children. The MHAC strives to increase awareness of behavioral health issues and advance public policies that positively impact Ohioans affected by mental illness and addiction disorders. Thank you for providing the opportunity for public comment on the Healthy Ohio Program 1115 Demonstration Waiver.

The Healthy Ohio Program is a legislative provision included in the last state operating budget. The legislature created it to encourage personal and financial responsibility targeting all non-disabled adults who receive health care through the state's Medicaid program and whose income is between 0 – 138% of the Federal Poverty Level. Many advocates consider the Healthy Ohio Program to be an attempt to thwart Medicaid Expansion by requiring premiums, enrolling into a modified health savings account, and locking people out of the program for failure to pay. This proposal was being considered at a controversial and political time during the state operating budget process. At the time, our state had to take into account how to pay the state share of the first six months of Medicaid Expansion. Many members of the General Assembly opposed the Expansion of the Medicaid program for low income Ohioans and continue to openly express their opposition.

Recently, *The Columbus Dispatch* reported astonishing data about Ohio's Medicaid expansion program. Since Medicaid began covering childless adults between the ages of 18-64 with incomes up to 138% of the federal poverty level in January 2014, there have been 954,887 new enrollees who were able to access health care for the first time through the Medicaid expansion. According to the recent article, 481,903 of these new Medicaid beneficiaries - or just over half of the expansion population - were treated for mental health and substance use disorder and more than one in ten were diagnosed with a severe mental illness including psychosis, schizophrenia, and bipolar disorder. Now, even more people experiencing a mental illness and or addiction disorder can access behavioral health treatment services thanks to Medicaid expansion.

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The new eligibility requirements included in the Healthy Ohio Program 1115 Demonstration waiver will go beyond the expansion population and impact other Medicaid eligibility categories including all adults currently eligible under Covered Families and Children, adolescents aging out of foster care, participants in the breast and cervical cancer program, and more. Over 1 million adult Ohioans would be required to participate in the Healthy Ohio Program. We understand the language in the 1115 Demonstration Waiver is prescriptive because of the enacted budget provisions. We are hopeful that by providing public comment, consideration by the Centers for Medicare and Medicaid (CMS) will determine the Healthy Ohio Program does not improve access to care, does not strengthen providers and networks, does not improve health outcomes, and will not increase efficiency in service delivery networks.

Premiums & Modified Health Savings Accounts (HSA)

Many of our members serve people who are battling addiction, have a mental illness, or both. Many people with mental health and addiction disorders are poor and receive Medicaid because of their illnesses. Under the new program, these individuals would pay annual premiums equal to the lesser of 2% or \$99 of their income into the modified HSAs known as Buckeye Accounts. Adding premiums is a disincentive for participation in the program and enrollment is projected to go down because of the new requirement. Requiring adults with the lowest incomes in our state and who are the sickest to contribute to Medicaid to teach them how commercial insurance works is an unfair demonstration project that will disrupt their care. Using monthly premiums as a cost sharing mechanism to stay enrolled in Medicaid will result in loss of health coverage and loss of needed care. Many will drop out or be locked out of Medicaid for failure to pay within 60 days. Medicaid benefits would not be restored until all past premiums are paid. This population cannot go without treatment services.

The modified HSAs are confusing and, for those with mental health illnesses and addiction disorders, they will act as another barrier to understanding and seeking treatment. Using a swipe card that cobbles money together from different sources for the HSA to pay for services and tracking how much is needed for co-pays may lead to forgone treatment. If the individual does not have enough in their account to pay for a co-pay, they may believe they cannot visit a treatment provider. The process is unnecessary and will be confusing for those who try to play by the rules.

We are grateful the state expanded Medicaid to adults between 18 and 64 years old to ensure more people are receiving services since 2014. However, this initiative is a step backwards. People with depression, anxiety, schizophrenia, and other mental health illnesses already face challenges with accessing care because of ongoing health-related matters. They struggle to keep appointments, find transportation, and fill prescriptions. Implementing the Healthy Ohio Program is expected to limit health coverage especially for those desperately in need of mental health and addiction services.

Retroactive Eligibility

Retroactive eligibility is a period of time when consumers who would have been eligible to receive Medicaid, but had not applied, can be considered eligible to receive care during their visit. Providers are able to bill the Ohio Department of Medicaid (ODM) and patients do not have to worry or wait for needed treatment services. This is a helpful tool to allow individuals to receive care and providers to bill Medicaid. The Healthy Ohio Program changes the current retroactive eligibility period to the first day of the month the premium was paid into the HSA. Requiring the premium to be paid first will have unintended consequences. Many do not have checking accounts and have limited payment methods. When someone needs services they will go to the hospital emergency department rather than paying the cost share. By not allowing providers to use current retroactive eligibility to streamline the process, it will ultimately lead to uncompensated care that providers will incur as unpaid services.



Uncompensated Care

Individuals in the Healthy Ohio Program will begin to fall off Medicaid rolls or be locked out of the program for failure to pay premiums and more uncompensated care will begin to burden providers. The Healthy Ohio Program will take us back to the time before Medicaid Expansion was enacted when people did not receive care, when the uninsured visited the emergency room frequently for their care, when providers were responsible for services they provided to people without coverage, and when some local Alcohol, Drug Addiction, & Mental Health Service (ADAMHS) Boards were able to budget and pay for indigent care. ADAMHS Boards again may have to compensate for a lack of coverage, a problem that Medicaid Expansion has begun to rectify. In our last state operating budget, the ADAMHS Boards received a cut in state dollars because Medicaid Expansion supposedly would be used by people to pay for services without coverage. Should the Healthy Ohio Program be implemented, we will have to request more funding, for our local ADAMHS Boards to again cover these costs.

Healthy Ohio Program and Care Coordination

The General Assembly authorized ODM to enroll every individual with behavioral health needs in a private-sector Medicaid managed care plan beginning January 1, 2018. Ohio is currently in the process of redesigning our behavioral health system which involves updating service codes to align with national standards as well as adjust reimbursement rates for behavioral health services. In the process, we are also modernizing our behavioral health services. Once the redesign work is complete, behavioral health care will be moved into managed care for better integration of physical health and behavioral health care services.

According to the ODM, Medicaid members needing treatment for mental health or substance abuse disorders represent 27 percent of Ohio Medicaid enrollment but account for 47 percent of Medicaid spending. Only half of the behavioral health population on Medicaid is seen through the community behavioral health system. The most expensive five percent account for over half of behavioral health expenditures. The Office of Health Transformation compared the top 100 total behavioral health users by expenditure using certain diagnostic codes in 2014 that were connected to Community Mental Health Centers (CMHC) vs. no connection to a CMHC who received behavioral health services through Medicaid. Of those not connected to CMHCs the cost for the highest person for services for one year reached \$682,384.31, while those who were connected to a CMHC was far less and for the top user for services in one year only cost \$106,246.85. Those not connected to care often default to receiving care in nursing homes and hospitals, or lack a connection to treatment due to chronic homelessness, criminal justice involvement, or social isolation. Uncoordinated health care for people with chronic illness is dangerous for them and burdens other systems.

The Behavioral Health Redesign has a goal to lessen the cost of the highest spenders of those utilizing behavioral health services by ensuring people receive coordinated care by connecting them to community behavioral health centers and enrolling them into managed care. The Healthy Ohio Program would cap expenses and places lifetime limits on health care coverage. Once an individual reaches the cap or limit, they are not dis-enrolled but they are moved back into a form of traditional Medicaid fee for service. If our goal is to provide better care coordination through the behavioral health redesign process and ultimately move this population into managed care, the Healthy Ohio Program will not achieve this outcome for the highest service users with caps and limits and moving between Medicaid plans.



Access to Care

Access to care is the number one reason the MHAC is providing public comment, which is why we would like to touch on it last. We know that those we represent will be burdened with sharing the cost and understanding how to navigate the requirements of a modified HSA. Why are we targeting the poorest and sickest, those with mental illness and or addiction disorders, and many other Ohioans to teach them personal and financial responsibility? The waiver application describes how this will teach individuals in the program how commercial insurance operates while many of us continue to struggle to understand our benefits, copays, deductibles, explanation of benefits and invoices from insurance companies. The population we represent who are on Medicaid are not just in poverty rather they are trying to get well and are in the recovery process, or they stay well by receiving behavioral health care. Many are in poverty because of their illness and this is an unfair demonstration to put them through.

If people are no longer able to receive treatment through the existing Medicaid system, Ohio will see an increase in costs to other systems, including criminal justice, hospitals, schools, and the courts, and it will witness unintentional consequences that will increase the rates of suicide, overdose deaths, and overburdened families. It will create a weakened community behavioral health system in our state.

We appreciate your consideration of our analysis of the Healthy Ohio Program 1115 Demonstration Waiver Request. Thank you for the opportunity to provide public comment.