

May 16, 2016

John McCarthy, Director
Healthy Ohio Program 1115 Demonstration Waiver
Bureau of Health Plan Policy
Ohio Department of Medicaid
50 W Town St., 5th Floor
Columbus OH 43218

Dear Director McCarthy:

The Ohio Hospital Association (OHA) appreciates the opportunity to comment on the Healthy Ohio Waiver proposal released to the public on April 15, 2016. OHA represents 220 hospitals and 13 health systems throughout the state of Ohio.

While we share the desire to contain costs of the Medicaid program and prepare Medicaid beneficiaries for eventual transition to the commercial insurance market, our member hospitals have concerns about the implementation of the provisions of this waiver. Ohio hospitals exist to serve patients, and patients with reliable, comprehensive coverage like in today's Ohio Medicaid program allows our members to fulfill that mission. Anything that disrupts coverage disrupts access, and we believe that the Healthy Ohio waiver would leave many Ohioans without access and others in constant transition, on and off the program, which will ultimately add confusion, complexity and cost to the system.

Beyond the concerns we have with respect to the waiver's impact on patients, due to the likely unintended consequences for Ohio hospitals and the communities we serve, we would like to take the opportunity to comment on two operational issues presented by the waiver:

Retroactive Eligibility

The elimination of 90-day retroactive eligibility is inherently unfair to patients and adds administrative burden to providers. Under current law, Medicaid coverage can be retroactive 90 days from the date an applicant is enrolled into the program, if the person's income is at or below the Medicaid eligibility level in during that time period. The way the waiver is written, Medicaid eligibility would not begin until an application is actually approved for Medicaid, the person enrolls in a managed care plan, and makes a first payment into their Buckeye Account.

For providers, this change means claims that traditionally would have been paid at Medicaid rates will now become uncompensated care, the cost of which will likely be shifted to employers and others in Ohio that purchase commercial insurance. This will also result in patients having the burden of unpaid

medical bills that, in most cases, will be turned over to collection agencies and do long-term damage to the financial health of patients. Moreover, retroactive eligibility allows claims to be paid in the sometimes lengthy lag time that occurs while a potential beneficiary is waiting for an eligibility determination. Eliminating the provision would penalize hospitals and patients for administrative delays outside of their control.

In evaluating other states' waiver proposals, CMS has agreed that eliminating retroactive eligibility from the Medicaid program is an untenable policy decision. In an April 5, 2016 letter to Arkansas Governor Asa Hutchinson who had made a similar proposal to CMS, HHS Secretary Sylvia Burwell wrote, "Retroactive coverage is an important Medicaid provision that protects people who need medical care, and who may not know they are eligible for coverage. Retroactive coverage is especially important when issues with a state's eligibility system and enrollment systems lead to unnecessary gaps in coverage."

We recommend preserving retroactive eligibility, as it is a key component to consistent coverage and financial security.

Buckeye Accounts and Co-pays

Although Ohio Medicaid regulations today state that Medicaid enrollees can be charged co-pays for certain services such as non-emergency services obtained in a hospital or emergency room, hospitals generally do not go through the effort of collecting these nominal amounts. In most cases, it will cost a provider more to attempt to collect a co-pay than the amount of the co-pay itself.

Collecting the co-pays required in the Healthy Ohio program could present an administrative burden to hospitals that may not be cost effective. The logistics of how the debit card will work are unknown and raise many questions:

- Will the providers be charged a transaction fee, as they are with commercial credit cards?
- How will the payment be received at the provider and identified to the provider?
- Once the patient presents with their card, can the hospital copy it and upon return of the patient, using the copied card to bill for additional copays or coinsurance?
- In cases where a patient loses his or her card, how can the number be retrieved by the hospital?
- Will it be housed in a field in MITS showing what has been paid to date for the year?
- Are hospitals required to maintain proof of \$0.00 payments from the patient's Buckeye Account when payments have been maxed for the year, if MITS and the Buckeye Account balance are out-of-synch and the hospital claim is not paid in full, what is the providers recourse to be made whole?

These unanswered questions leave our members with uncertainty about implementation of the co-pay provisions and experience from other states shows they are difficult to use and expensive to

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administer. Any disruptions to the services we provide to patients will affect access to necessary, preventive care and add costs to the system.

Without clear answers to these questions in advance of the waiver's submission, Ohio's hospitals cannot endorse these changes.

Thank you for the opportunity to comment on the Healthy Ohio waiver proposal and your consideration of the hospital industry's perspective in this important matter. We appreciate the Administration's focus on controlling costs, while working to improve health outcomes, and we are committed to working together as an active partner to engage in activities that meet these goals, while still maintaining coverage and access for the most vulnerable Ohioans.

Sincerely,

A handwritten signature in blue ink that reads "Mike Abrams". The signature is written in a cursive style and is set against a light beige rectangular background.

Mike Abrams
President and CEO