



SISTERS of CHARITY
HEALTH SYSTEM

August 5, 2016

Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850

Re: Healthy Ohio Program 1115 Demonstration Waiver

To Whom It May Concern:

On behalf of the Sisters of Charity Health System (SCHS), we write to offer comment on the Ohio Department of Medicaid's (ODM) Healthy Ohio 1115 Demonstration Waiver (Healthy Ohio).

Medicaid provides vital access to health coverage for a one out of every four Ohioans with low incomes and few resources. SCHS and a broad coalition of health care, business and community leaders supported Governor John Kasich's actions to expand access to more Ohioans in effort to achieve better outcomes and lower costs. Most notably, SCHS has been incredibly invested in the extension of Medicaid to low-income working adults between 100% and 138% of the Federal Poverty Level (Group VIII). We have seen the evidence that the expansion of Medicaid benefits *is* making Ohio's families healthier and more secure. Ohio's economy is reaping the benefits. Our community's collective hard work to ensure access to health coverage is what makes Healthy Ohio highly concerning.

The proposed Health Ohio Demonstration Waiver would lead to tangible challenges, including:

Premium increases would reduce health access for vulnerable populations:

Healthy Ohio would unravel the extension of Medicaid benefits to low-income individuals in Group VIII by adding premium requirements. This low-income population would have a hard time meeting the financial obligations required in the current proposal. As drafted, Healthy Ohio would require a contribution of the lesser of 2 percent of annual income or \$99 annually. We understand the intent of premiums is to create a more knowledgeable group of health insurance consumers by creating HSAs known as Buckeye Accounts. This intent is valid, but in practice, this financial burden will require low-income individuals to make difficult choices about spending on health care or on basic necessities such as food and housing.

Medical insurance has historically been the last payment to be made. Additionally, if a currently enrolled beneficiary does not pay their premium within 60 days, they would be locked out of the Medicaid program entirely. Any gap in coverage, especially a two-month gap, will be harmful to the population's health and well-being. Demonstrations in other states have shown that requiring premiums on health insurance serve as an unnecessary obstacle to health access. Cost-sharing mechanisms through monthly premiums would force the poorest in our communities to forgo needed medical care because of the inability to pay. We've seen what a disruption in care does to our patients – they delay or forego needed care while sick and dramatically limit access to preventive services.

Uncompensated care would rise, harming both business imperatives and health outcomes:

Individuals without health care plans will still use health care services. Unfortunately, many uninsured Ohioans will turn to hospital emergency departments to receive care in the least efficient and most expensive manner. Additionally, hospitals, particularly those hospitals that see the highest concentration of low-income patients will carry the burden of providing uncompensated care for a patient population that was previously covered.

Loss of coverage would critically impact many people:

The Healthy Ohio program would impact nearly 1.66 million Ohioans. Due to the complexities of the program and the diverse challenges faced by the individuals in the population group, these Ohioans could potentially lose their Medicaid benefits. ODM itself estimates that 126,000 Ohioans would lose coverage under Medicaid in the first year. While it is unclear whether that estimate is a conservative or accurate prediction, it would nonetheless disrupt the continuity of care for patients, service providers, and entire communities.

The policy provisions I mentioned lead to a number of questions that will require additional education to our patients and the communities we serve, including:

1. This plan will require significant administrative investment to establish a process to bill, collect, monitor and notify beneficiaries about Buckeye Account payments. What is the total amount and how will these costs be covered?
2. What is the methodology used to calculate the number of Medicaid beneficiaries who are estimated to drop their coverage due to the Healthy Ohio Program? How will ODM lessen this impact?
3. What kind of outreach will ODM pursue to ensure that Medicaid beneficiaries are kept aware of their account standing in order to help prevent lapses in Buckeye Account payments?
4. Given that many of the patients we see every day do not use traditional forms of money management, how would an individual without a bank or checking account make payments to Medicaid?

The Sisters of Charity Health System (SCHS) oversees the ministries of the Sisters of Charity of St. Augustine, a congregation of sisters who in 1851 came from France to Cleveland and began an enduring legacy of service to the community. Today, SCHS includes two acute care hospitals (St. Vincent Charity Medical Center, Cleveland and Mercy Medical Center, Canton); two elder care facilities; three grant-making foundations; and six health and human service organizations in Ohio and South Carolina. Our mission of Catholic health care calls us to serve vulnerable persons and to advocate for those in need. We firmly believe individuals, families and communities are stronger when everyone has access to high quality, affordable health care.

We are 3,287 faith-filled professionals and 1,068 credentialed physicians with one healing mission. In 2015, we provided Ohioans with high-quality, compassionate care through 119,976 inpatient days and more than 101,342 emergency department visits. Also, we provided over \$63 million in community benefit, including \$14.8 million in charity care at cost and \$34 million in unpaid costs of Medicaid in 2014.

We appreciate the opportunity to comment on these important issues regarding the Healthy Ohio Demonstration Waiver. The Sisters of Charity Health System is committed to our healing ministry as a Catholic health care provider. We hope the state continues its commitment to expanding health care for those most in need. May God continue to bless you and our state as we continue on this journey of health transformation toward better health outcomes for all.

Sincerely,



Terrence P. Kessler
President & CEO
Sisters of Charity Health System



Thomas E. Cecconi
President & CEO
Mercy Medical Center



David F. Perse, M.D.
President & CEO
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