American Diabetes Association®

September 18, 2018

Seema Verma
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Ms. Verma:

On behalf of the more than 30 million Americans living with diabetes and the 84 million more with prediabetes, the American Diabetes Association (ADA) provides the following comments on the State of South Dakota Department of Social Services' Section 1115 Demonstration Proposal for the Career Connector program.

As the global authority on diabetes, the ADA funds research to better understand, prevent and manage diabetes and its complications; publishes the world's two most respected scientific journals in the field, Diabetes and Diabetes Care; sets the standards for diabetes care; holds the world's most respected diabetes scientific and educational conferences; advocates to increase research funding, improve health care, enact public policies to stop diabetes, and end discrimination against those denied their rights because of the disease; and supports individuals and communities by connecting them with the resources they need to prevent diabetes and better manage the disease and its devastating complications.

According to the Centers for Disease Control and Prevention, over 9% of adults in South Dakota have diabetes and another 35.5% have prediabetes.[1] Access to affordable, adequate health coverage is critically important for all people with, and at risk for, diabetes. Adults with diabetes are disproportionality covered by Medicaid.[2] For low income individuals, access to Medicaid coverage is essential to managing their health. As a result of inconsistent access to Medicaid across the nation, these low-income populations experience great disparities in access to care and health status, which is reflected in geographic, race and ethnic differences in morbidity and mortality from preventable and treatable conditions.

Work Requirements

The ADA is deeply concerned by the South Dakota's efforts to limit or revoke certain Medicaid beneficiaries' enrollment if they do not meet proposed. This type of coverage limit is in direct conflict with the Medicaid program's objective to offer health coverage to those without access to care. Most people with Medicaid who can work, do so. Nearly 8 in 10 non-

disabled adults with Medicaid coverage live in working families, and nearly 60% are working themselves. Of those not working, more than one-third reported that illness or disability was the primary reason, 28% reported they were taking care of home or family, and 18% were in school.[3] For people who face major obstacles to employment, harsh Medicaid requirements will not help to overcome them. In addition, research shows work requirements are not likely to have a positive impact on long-term employment.[4] Instead, instituting a work requirement would lead to higher uninsured rates and higher emergency room visits by uninsured individuals who would have been eligible for Medicaid coverage, and increase the administrative burden for the state and its Medicaid managed care plans.[5,6]

A study by the National Bureau of Economic Research concluded Medicaid coverage increases utilization of primary and preventative services, lowers out-of-pocket medical spending and medical debt, and results in better self-reported physical and mental health.[7] In addition, Medicaid enrollees are 15% more likely to be screened for diabetes than someone who is uninsured.[8] CDC data show prevention programs and early detection can prevent the onset of type 2 diabetes and reduce state spending.[9] South Dakota's proposal to limit access to Medicaid services through the implementation of work requirements will decrease access to care for low-income South Dakota residents with and at risk for diabetes and increase state health care costs.

Cost-Sharing

Research has shown that cost-sharing for low income populations limits the use of necessary health care services.[10] South Dakota proposes in this waiver to provide premium assistance for up to one year to certain beneficiaries after their Transitional Medical Benefits expire. However, the premium assistance is capped and may not cover the full cost of the individuals' premiums. Additionally, individuals would not receive any assistance with cost-sharing such as copayments, coinsurance, and deductibles. People with uncontrolled diabetes or with diabetes complications have medical costs as high as eight times that of people with well-controlled or non-advanced diabetes.[11] Fortunately, studies show that diabetes complications can be avoided or delayed with adequate management of blood glucose.[12] The premium assistance program is inadequate coverage for individuals in the Medicaid gap trying to manage a chronic illness like diabetes. To truly help these individuals access necessary healthcare services, South Dakota should pursue full Medicaid expansion up to 138 percent of the federal poverty level. This will ensure that people with and at risk for diabetes are screened earlier and have continuous care, reducing the chance of costly, life threatening complications.

Administrative Burden

Under this proposed waiver, individuals will need to either prove they meet certain exemptions or provide evidence of the number of hours they have worked, which significantly increases the administrative burden of health care. An analysis of expected Medicaid disenrollment rates after implementation of work requirements shows most disenrollment would be due to administrative burdens or red tape.[13] Medicaid enrollees who are working may experience difficulty obtaining the required documentation from their employer on a timely basis. Even though they meet the proposed requirements, their inability to provide timely documentation could result in them losing Medicaid coverage.

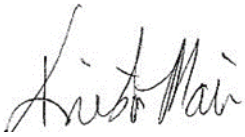
Diabetes is a complex, chronic illness that requires continuous medical care,[14] so Medicaid enrollees with diabetes cannot afford a sudden gap in health insurance coverage. A recent study found that people with type 1 diabetes who experience a gap or interruption in coverage are five times more likely to use acute care services (i.e. urgent care facilities or emergency departments).[15] This waiver proposal adds administrative barriers and burdens that will impede access to health services that South Dakota residents with diabetes need.

Conclusion

Research shows work requirements are not likely to have a positive impact on long-term employment.[16] Instead, instituting a work requirement would lead to higher uninsured rates and higher emergency room visits by uninsured individuals who would have been eligible for Medicaid coverage, and increase the administrative burden for the state and its Medicaid managed care plans. Instituting work requirements are in direct conflict with the Medicaid program's objective to offer health coverage to those without access to care. **Therefore, the ADA recommends CMS not approve South Dakota's 1115 Demonstration Waiver as it creates barriers to affordable and adequate healthcare for low-income South Dakotans with diabetes who rely on the program.**

Thank you for the opportunity to provide these comments on behalf of the South Dakota residents with diabetes and prediabetes. Our comments include numerous citations to supporting research, including direct links to the research for the benefit of CMS in reviewing our comments. We direct CMS to each of the studies cited – made available through active hyperlinks – and we request that the full text of each of the studies cited, along with the full text of our comments, be considered part of the administrative record in this matter for purposes of the Administrative Procedure Act. If you have any questions, please contact me at KMaier@diabetes.org or 703-253-4365.

Sincerely,



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