



August 12, 2018

Nick Lyon
Director
Michigan Department of Health and Human Services (MDHHS)
333 S. Grant Avenue
Lansing, MI 48913

Re: Demonstration Extension Application Amendment

Dear Director Lyon:

Hemophilia Federation of America (HFA) and Hemophilia Foundation of Michigan (HFM) appreciate the opportunity to submit comments on Michigan's Section 1115 Demonstration Extension Application.

HFA is a national non-profit organization that represent individuals with bleeding disorders across the United States. Our mission is to ensure that individuals affected by hemophilia and other inherited bleeding disorders have timely access to quality medical care, therapies, and services, regardless of financial circumstances or place of residence. HFM is the only agency in Michigan that provides education, advocacy and supportive services for those affected by bleeding disorders, including family members and caregivers. HFM strives to improve the quality of life for all people affected by hemophilia, von Willebrand disease, other coagulation disorders and related complications, including HIV/AIDS and hepatitis.

HFA and HFM believe healthcare should affordable, accessible and adequate. HFA and HFM strongly support the Healthy Michigan Program, which has extended coverage to 680,000 low-income individuals and families in the state.ⁱ We do not know how many people with hemophilia are covered by the Healthy Michigan Program, but we do know that nationally, about thirty percent of the bleeding disorders population depends on Medicaid.

The purpose of the Medicaid program is to provide affordable healthcare coverage for low-income individuals and families. Unfortunately, Michigan's application does not meet this objective and will instead create new financial and administrative barriers that jeopardize access to healthcare for Michigan residents, including patients with bleeding disorders. According to one estimate by the Michigan House Fiscal Agency, up to 54,000 Michiganders will lose their coverage as a result of this proposal.ⁱⁱ

Under the waiver, individuals with incomes between 100 and 138 percent of the federal poverty level (approximately \$1,372/month to \$1,893/month for a family of two) would face new barriers to coverage after receiving 48 cumulative months of coverage through the Healthy Michigan program. Under the waiver proposal, these individuals would be required to pay monthly premiums equal to five percent of their income and complete or commit to an annual healthy behavior assessment, unless they can demonstrate that they qualify for an exemption. Individuals who cannot meet this requirement will lose their coverage. A premium of five percent of monthly income will range from approximately \$50 to \$67 for an individual, a sizable cost for this low-income population. Research has shown that even relatively low levels of cost-sharing for low-income populations limit the use of necessary healthcare services.ⁱⁱⁱ Additionally, HFA and HFM are concerned that, instead of incentivizing healthy behaviors, conditioning coverage on completing an annual healthy behavior assessment will reduce coverage for individuals in



need of care. Ensuring that Medicaid enrollees have access to comprehensive health coverage that includes all of the treatments and services that they need to live healthy lives would likely be a more effective approach to improving health in Michigan.

Also, under this waiver, individuals between the ages of 19 and 62 would be required to either demonstrate that they work at least 80 hours per month or meet exemptions. One major consequence of this proposal will be to increase the administrative burden on all patients. Individuals will need to attest that they meet certain exemptions or have worked the required number of hours on a monthly basis. Increasing administrative requirements will likely decrease the number of individuals with Medicaid coverage, regardless of whether they are exempt or not. For example, after Washington state changed its renewal process from every twelve months to every six months and instituted new documentation requirements in 2003, approximately 35,000 fewer children were enrolled in the program by the end of 2004.^{iv} Battling administrative red tape in order to keep coverage should not take away from patients' or caregivers' focus on maintaining their or their family's health.

Failing to navigate these burdensome administrative requirements could have serious – even life or death – consequences for people with serious, acute and chronic diseases, including bleeding disorders. If the state finds that individuals have failed to comply with the new requirements for three months, they will be locked out of coverage for *at least* one month. Additionally, if the state finds that individuals have misrepresented their compliance, these individuals will be locked out of coverage for one year. People with bleeding disorders rely on essential medications to manage their condition: to prevent bleeding, and to treat acute breakthrough bleeding episodes. They cannot afford to experience a gap in their care.

HFA and HFM are also concerned that the current exemption criteria may not capture all individuals with, or at risk of, serious and chronic health conditions that prevent them from meeting these requirements. While HFA and HFM are pleased that patients will have the option to demonstrate that they qualify for an exemption through self-attestation, the reporting process still creates opportunities for administrative error that could jeopardize coverage. No exemption criteria can circumvent this problem and the serious risk to the coverage and health of the people we represent.

Administering these requirements will be expensive for Michigan. The Michigan House Fiscal Agency estimates that the state's administrative costs will be approximately \$20 million, in addition to one-time information technology costs of up to \$10 million.^v States such as Kentucky, Tennessee and Virginia have also estimated that setting up the administrative systems to track and verify exemptions and work activities will cost tens of millions of dollars.^{vi} These costs would divert resources from Medicaid's core goal – providing health coverage to those without access to care – as well from other important initiatives in the state of Michigan.

Ultimately, the requirements outlined in this waiver do not further the goals of the Medicaid program or help low-income individuals improve their circumstances without needlessly compromising their access to care. Most people on Medicaid who can work already do so.^{vii} A recent study, published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees.^{viii} The study found only about a quarter were unemployed (27.6 percent). Of this 27.6 percent of enrollees, two thirds reported having a chronic physical condition and a quarter reported having a mental or physical condition that interfered with their ability to work.

HFA and HFM also wish to highlight that the federal rules at 431.408 pertaining to state public comment



process require at (a)(1)(i)(C) that a state include an estimate of the expected increase or decrease in annual enrollment and expenditures if applicable. The intent of this section of the regulations is to allow the public to comment on a Section 1115 proposal with adequate information to assess its impact. However, on pages 14-15 of this proposal, the Department reuses budget neutrality estimates from an earlier proposal that are no longer relevant and states that “MDHHS expects annual HMP enrollment to decrease but the total number of beneficiaries who will be impacted is unknown at this time.” We urge the Administration to release updated enrollment and expenditures data and include this analysis in its application to the federal government to ensure the application meets federal requirements.

HFA and HFM believe everyone should have access to quality and affordable healthcare coverage. Michigan’s Section 1115 Demonstration Extension Application does not advance that goal. Thank you for the opportunity to provide comments.

Sincerely,

A handwritten signature in black ink that reads 'Sarah Procaro'.

Sarah Procaro
Advocacy/Communications Manager
Hemophilia Foundation of Michigan

A handwritten signature in black ink that reads 'Miriam Goldstein'.

Miriam Goldstein
Associate Director, Policy
Hemophilia Federation of America

ⁱ Michigan Department of Health and Human Services, Healthy Michigan Plan Enrollment Statistics, July 31, 2018. Available at https://www.michigan.gov/mdhhs/0,5885,7-339-71547_2943_66797---,00.html.

ⁱⁱ Michigan House Fiscal Agency, Legislative Analysis of Healthy Michigan Plan Work Requirements and Premium Payment Requirements, June 6, 2018. Available at: <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-0897-5CEEF80A.pdf>.

ⁱⁱⁱ Samantha Artiga, Petry Ubri, and Julia Zur, “The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings,” Kaiser Family Foundation, June 2017, <https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/>.

^{iv} Tricia Brooks, “Data Reporting to Assess Enrollment and Retention in Medicaid and SCHIP,” Georgetown University Health Policy Institute Center for Children and Families, January 2009.

^v Michigan House Fiscal Agency, Legislative Analysis of Healthy Michigan Plan Work Requirements and Premium Payment Requirements, June 6, 2018. Available at: <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-0897-5CEEF80A.pdf>.

^{vi} Misty Williams, “Medicaid Changes Require Tens of Millions in Upfront Costs,” Roll Call, February 26, 2018, <https://www.rollcall.com/news/politics/medicaid-kentucky>.

^{vii} Rachel Garfield, Robin Rudowitz, and Anthony Damico, “Understanding the Intersection of Medicaid and Work,” Kaiser Family Foundation, February 2017, <http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>.

^{viii} Renuka Tipirneni, Susan D. Goold, John Z. Ayanian. Employment Status and Health Characteristics of Adults With Expanded Medicaid Coverage in Michigan. *JAMA Intern Med*. Published online December 11, 2017. doi:10.1001/jamainternmed.2017.7055