Harold P. Wimmer
National President and
CEO

January 5, 2018

The Honorable Eric D. Hargan
Acting Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW

Re: North Carolina Medicaid and NC Health Choice Amended Section 1115 demonstration Waiver Application

Dear Acting Secretary Hargan:

The American Lung Association appreciates the opportunity to submit comments on the *North Carolina Medicaid and NC Health Choice Amended Section 1115 demonstration Waiver Application*.

The American Lung Association is the oldest voluntary public health association in the United States, currently representing the 33 million Americans living with lung diseases including asthma, lung cancer and COPD. The Lung Association believes that all Americans, including the 1,555,000 North Carolina residents living with lung disease, should have access to quality and affordable healthcare. The proposed waiver amendment does not achieve this goal and the amendment should be rejected.

The Lung Association in North Carolina submitted comments to the North Carolina Department of Health and Human Services on December 22, 2017 outlining the organization's concerns with the proposed waiver amendment and the impact they would have on lung disease patients. Since the waiver amendment was certified prior to the end of the state comment period, the concerns regarding the amendment have not changed. Attached below is the letter submitted to Secretary Cohen on December 22, 2017.

The letter specifically outlines the concerns lung disease patients would face if the state imposes enforceable premiums and work requirements as conditions to receive Medicaid benefits. The American Lung Association asks CMS to reject the proposed amendment because it would harm lung disease patients' access to quality and affordable healthcare.

The Lung Association is deeply disappointed that CMS certified the North Carolina waiver amendment without the state having finished their comment period. The overlap in the CMS certification and the state comment period rendered the state comment period useless, as the waiver amendment could not be changed based on the feedback the state received. North Carolinians, including those living with lung disease, should have the ability to provide feedback on the proposals that will impact their states.

Thank you for reviewing our comments. We appreciate the opportunity to provide feedback.

Sincerely,

Harold P. Wimmer
National President and CEO

CC: The Honorable Seema Verma, Administrator,
The Centers for Medicare and Medicaid Services

American Lung Association in North Carolina's Comments

Re: *North Carolina Medicaid and NC Health Choice Amended Section 1115 Demonstration Waiver Application* (December 22, 2017)

AMERICAN LUNG ASSOCIATION.

Harold P. Wimmer
National President and
CEO

December 22, 2017

Mandy K. Cohen, MD, MPH
Secretary
North Carolina Department of Health and Human Services
101 Blair Drive
Raleigh NC 27603

Re: North Carolina Medicaid and NC Health Choice Amended Section 1115 demonstration Waiver Application

Dear Dr. Cohen:

The American Lung Association in North Carolina appreciates the opportunity to submit comments on the *North Carolina Medicaid and NC Health Choice Amended Section 1115 demonstration Waiver Application.*

The North Carolina Medicaid and NC Health Choice programs provide a crucial service for the low-income residents of North Carolina. Individuals and families depend on these programs for life-saving treatments. The policies proposed in this waiver amendment would be especially harmful to lung disease patients who depend on regular access to maintenance medicine and patients who have limited ability due to their disease.

The Lung Association in North Carolina want all North Carolina residents to have quality, affordable healthcare, especially low-income residents that depend on the North Carolina Medicaid and NC Health Choice programs. The Lung Association in North Carolina encourages the states to revise the policies in the proposed waiver amendment prior to submitting it to CMS.

Enforceable Premiums

Charging Medicaid enrollees above 50 percent of federal poverty level (approximately $1,25.50/ month for a family of four)[1] premiums will discourage enrollment in the program. While the proposed premium is limited to two percent of income, it still poses a barrier for this extremely low-income population. If the enrollee fails to pay a premium within 60 days, they will dis-enrolled from the program and only could re-enroll upon paying back premiums or demonstrating that they qualify for an exemption. This policy is cruel and unprecedented. The federal government had never allowed a state to bar people with incomes below 100 percent FPL for failure to pay premiums and we urge North Carolina to remove this portion of the waiver.

Evidence suggests that some people will fail to be able to pay their premiums – and would therefore lose their healthcare as a result. A recent report[2] prepared for the Indiana Family and Social Services Administration (FSSA) by the Lewin Group found that 29 percent of Indiana's Heathy Indiana Plan (HIP) 2.0 enrollees failed to

Advocacy Office:
1331 Pennsylvania Avenue NW, Suite 1425 North
Washington, DC 20004-1710
Ph: 202-785-3355 F: 202-452-1805

Corporate Office:
55 West Wacker Drive, Suite 1150 | Chicago, IL 60601
Ph: 312-801-7630 F: 202-452-1805 info@Lung.org

pay their premiums and were dis-enrolled in the HIP 2.0 program resulting in poorer coverage or no coverage depending on income level. The proposal provided no evidence that the enrollees would be able to pay the premiums.

The enforceable monthly premium would harm all enrollees, but could be particularly harmful to lung disease patients. Many lung diseases, such as asthma and COPD, are chronic conditions. Most people can effectively manage their disease, but it requires patients to engage in continuous treatment, including actively taking medications and access to life-saving devices and treatments. A gap in coverage could make a treatable disease life-threatening and much more mostly. For patients with lung cancer, a gap in coverage could be a death sentence. Enforceable premiums could delay or halt care leading to poor health outcome or even death.

Work Requirements

The proposed waiver amendment would impose a work requirement as a condition for the Carolina Cares program. The proposal has a very limited exceptions process to the work requirement.

North Carolina's proposed work requirement is contrary to the goal of its Medicaid program, which is to offer health coverage to those without access to care. Most people on Medicaid who can work do so[3], and for people who face major obstacles to employment, harsh requirements will not help to overcome them. A recent study[4], published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees. 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.

The North Carolina proposal only exempts medically frail patients, patients receiving active treatment for substance abuse and individuals caring for dependents. The Lung Association in North Carolina does not believe these exemptions would capture patients, such as those in active lung cancer treatments who have been told by their physicians not to work during their treatment, but would not qualify as medically frail. The work requirement would only decrease enrollment in the program, leaving patients, including lung disease and lung cancer patients, without healthcare coverage when they need it most.

Then Lung Association in North Carolina encourages North Carolina to adopt Medicaid expansion or the Carolina Cares program. However, the policies in this waiver amendment will limit the positive impact that expanding the Medicaid program will have, especially for people living below 100 percent of FPL. The Lung Association in North Carolina encourages the state to look at evidence-based policies to further the goals of the North Carolina Medicaid and NC Health Choice programs for all enrollees, but specifically individuals and families with incomes below 100 percent FPL. These residents are disproportionately impacted by lung disease and need quality and affordable healthcare to manage their diseases. The proposed waiver as written would not allow for that.

Thank you for reviewing our comments. We appreciate the opportunity to provide feedback.

Sincerely,

Harold Wimmer

Harold P. Wimmer
National President and CEO

[1] Office of the Assistant Secretary of Planning and Evaluation. U.S. Federal Poverty Guidelines Used to Determine Financial Eligibility for Certain Federal Programs. Accessed at: https://aspe.hhs.gov/poverty-guidelines

[2] Healthy Indiana Plan 2.0: POWER Account Contribution Assessment Prepared by the Lewin Group, Inc. March 31, 2017; https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-POWER-acct-cont-assesmnt-03312017.pdf

[3] 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/.

[4] 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