

Harold P. Wimmer
National President and
CEO

October 19, 2017

The Honorable Eric D. Hargan
Acting Secretary and Deputy Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Iowa 1332 Waiver Iowa Stopgap Measure

Dear Acting Secretary Hargan:

The American Lung Association appreciates the opportunity to comment on the 1332 waiver submitted by the state of Iowa, the Iowa Stopgap Measure.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease, being the voice of the 32.2 million Americans who suffer from lung disease, including the 446,000 Americans in the state of Iowa. The Lung Association tracks patient access to treatment for tobacco cessation and asthma guidelines care, is on the forefront of analyzing how policies impact patient care and work to ensure lung disease patients have access to the treatment they need.

The Lung Association recognizes the challenges that Iowa's marketplace faces for the 2018 plan year and we support the goal of stabilizing the marketplace. However the proposed Iowa Stopgap Measure will shift financial assistance away from the lower income population in order to provide subsidies for higher-earning Iowans. The other unintended consequence of the Stopgap Measure will be increased out-of-pocket cost sharing, making healthcare unaffordable for some.

In March of 2017, the American Lung Association and other leading health organizations issued a [set of principles](#) to evaluate any new healthcare plan. The American Lung Association believes the Iowa Stopgap Measure will harm lung disease patients' access to care in Iowa and we urge CMS to reject this waiver application.

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

Affordability

The Stopgap Measure will increase cost-sharing for patients. While the Stopgap Measure might bring down the cost of premiums, that will almost certainly be coupled with increased cost-sharing when accessing healthcare. Patients may technically have health coverage with the Stopgap Measure, but they may not be able to access needed treatment due to high cost-sharing.

Limiting the metal levels to only silver level plans will harm patients. Lack of choice will be particularly harmful for patients with chronic conditions such as COPD and asthma. Experts¹, including [healthcare.gov](https://www.healthcare.gov)², describe how to interpret the metal tier levels for health insurance. Gold plans are touted as a better value for patients who have chronic conditions, needing expensive medications and needing to see specialists frequently. Lung disease patients often need expensive medications and need to see specialists frequently. The lack of choice of metal tier plan will increase out-of-pocket costs for patients, jeopardizing those patients' ability to receive the care they need.

The Lung Association was encouraged to see the Stopgap Measure Supplement (dated October 6, 2017) that would reduce the out-of-pocket spending for the low-income population. The vague details in the supplement suggest that lower income consumers would be insulated from the high cost-sharing; however without more detail, it is nearly impossible to accurately assess how the supplement modifies the Stopgap Measure. Based on the limited information in the supplement, it appears the plans for the low-income population will still have a less generous actuarial value (AV) than the population would have under the Affordable Care Act³. This will lead to higher out-of-pocket costs for these consumers.

Additionally there is no increased protection for families with incomes between 200 and 250 percent of the Federal Poverty Level (FPL). For an individual this is an income between \$24,130 and \$30,150/ year and \$49,200 and \$61,500 for a family of four. These families would have an annual out-of-pocket maximum of \$7,350 for an individual and \$14,700 for the family. For these lower moderate-income patients, a disease like lung cancer would quickly become unaffordable.

Adequacy

One of the core principles for any health reform proposal is that any new plan must be adequate to patients. The Stopgap Measure acknowledges that this is not the case. In the proposal, the state acknowledges that patients will have a different experience with the Stopgap Measure and the high cost-sharing associated with it. The plan says the structure encourages "consumers to utilize their primary care providers and make smart choices about their health care."⁴ This statement and the

¹Glover, Lacie. Bronze to Platinum: How Health Insurance Metal Tiers Work. *Nerd Wallet Blog*. May 24, 2016. Available online: <https://www.nerdwallet.com/blog/health/metal-tiers-health-insurance-work/>

² The 'metal' categories: Bronze, Silver, Gold & Platinum. *Healthcare.gov*. Available online: <https://www.healthcare.gov/choose-a-plan/plans-categories/>

³ Jost, Timothy. ACA Round-Up: Bipartisan Proposal To Revamp Employer Reporting Requirements And More. *Health Affairs Blog*. October 4, 2017. Available online at: <http://healthaffairs.org/blog/2017/10/04/aca-round-up-bipartisan-proposal-to-revamp-employer-reporting-requirements-and-more/>

⁴ Stopgap Measure; page 33

sentiment behind it is ignorant of the high cost of care patients with chronic lung diseases face. Smart health care choices will not bring down the cost of asthma medications or COPD treatments.

Additionally, the Lung Association asks the state of Iowa to add a preventive services tier to the formulary tier structure. There are many preventive services, including tobacco cessation treatment, that include and rely on medications. The preventive service tier level provides clear information about what treatments are included as preventive services without cost-sharing.

Accessibility

The third core principle of healthcare reform is that coverage must be accessible. The current Stopgap Measure does not allow for coverage or care that is accessible to patients. The Stopgap Measure would require some consumers to have continuous coverage as a qualification for a special enrollment period (SEP). The continuous coverage requirement can make enrollment in a health plan more difficult during an already difficult time. Without enrolling in a health plan, Iowans won't have access to key preventive services, such as tobacco cessation treatment and lung cancer screenings.

The American Lung Association is also very concerned about the impact of the \$400 emergency department (ED) co-pay. While the Stopgap Measure does have an out-of-pocket maximum to protect patients from excessive cost-sharing, the inclusion of a \$400 ED co-pay is very concerning for the Lung Association. This provision could discourage patients, including those experiencing an asthma attack, to go to the ED due to the high-cost co-pay. Patients need to be able to get treatment when they need it. We believe this provision will deter patients from seeking care they need.

The state of Iowa faces financial challenges with its health insurance marketplace for 2018. The proposed Stopgap Measure does not address these challenges the market is currently facing – it just shifts when patients pay for services, which will harm sicker and poorer Iowans. This plan is not right for patients in Iowa and there is not time to implement the plan for 2018 open enrollment beginning on November 1, 2017.

The Lung Association urges CMS to reject the proposal and work with the state of Iowa to stabilize their market without shifting costs to poorer and sicker residents. Thank you for the opportunity to comment.

Sincerely,

Harold P. Wimmer
National President and CEO

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

