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Harold P. Wimmer

July 14, 2017

The Honorable Tom Price, MD

Secretary

U.S. Department of Health and Human Services

200 Independence Avenue, SW

Washington, DC 20201

Re: 1115 Demonstration “BadgerCare Reform” (Project No. 11-W-00293/5)

Dear Secretary Price:

The American Lung Association appreciates the opportunity to comment on the *BadgerCare Reform (Project No. 11-W-00293/5)* proposal.

The Lung Association agrees with the first stated goal of the proposed amendment, “ensure that every Wisconsin resident have access to affordable health insurance to reduce the state’s uninsured rate.” However, the policies in the proposed amendment would not achieve this goal and would be harmful to lung disease patients.

The Lung Association would ask Centers for Medicare and Medicaid Services (CMS) to work with the state of Wisconsin to revise the proposed 1115 waiver amendment to BadgerCare to better align with the stated goals of the proposal and remove the cost-sharing for emergency department visits and wellness incentives around tobacco use.

Cost-Sharing for ED visits

The amendment proposes the authority to charge a graduated co-payment for emergency department (ED) use by adults not raising children. This policy would discourage enrollees from seeking necessary care during an emergency by charging individuals \$8 for the first ED visit a year and \$25 for subsequent visits. If implemented, this proposal would have a detrimental effect on the health of enrollees. Unfortunately, people – Medicaid enrollees and everyone else – need the ED for live-saving treatment. The Lung Association strongly urges the state to remove this dangerous policy proposal from the waiver amendment.

Cost sharing for the ED could have a devastating impact on lung disease patients. COPD and asthma patients could have life-threatening breathing emergencies

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that require immediate emergency treatment at the ED. Patients may delay treatment because of their concerns about cost, which could result in the patient's death. If this cost sharing remains in the proposal, the American Lung Association urges that the fee be required to be waived in the case of actual, life-threatening emergencies.

Healthy Behaviors Incentive

The waiver amendment proposes to implement a healthy behavior incentive program. The state believes this program will encourage healthy behavior and lower healthcare costs. If members engage in the healthy behaviors they will have their premium reduced by half. One of the healthy behaviors is abstaining from tobacco use. Charging tobacco users more than non-tobacco users for health coverage is a tobacco surcharge.

While the Lung Association supports efforts to encourage smokers to quit, the tobacco surcharge or wellness incentive has not been proven effective in helping smokers quit and reducing tobacco use. Recent studies from Health Affairs¹ and the Center for Health and Economics Policy at the Institute for Public Health at Washington University² have suggested that tobacco surcharges do not increase tobacco cessation. The studies also have data suggesting tobacco users eligible for Marketplace or exchange health plans forgo health insurance rather than paying the surcharge. Tobacco users often have expensive comorbidities. Charging a tobacco surcharge could cause those enrollees to go without coverage and access to preventive care, allowing comorbid health conditions to worsen. This could result in more expensive healthcare being required later on.

Instead, the American Lung Association recommends working to increasing the utilization of tobacco cessation treatment under BadgerCare, which can reduce costs and save lives. BadgerCare has a nearly comprehensive tobacco cessation benefit, and increasing utilization and successful quitting by BadgerCare enrollees would do far more to save the state money than the tobacco surcharge.

The Lung Association encourages CMS to work with the state of Wisconsin to look at the evidence-based policies to further the goals of BadgerCare 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 amendment as written would not allow for that.

¹ Friedman, A.S., Schpero, W. L., Busch, S.H. Evidence Suggests That The ACA's Tobacco Surcharges Reduced Insurance Take-Up and Did Not Increase Smoking Cessation. Health Aff 2016; 35:1176-1183. doi: 10.1377/hlthaff.2015.1540 accessed at: <http://content.healthaffairs.org/content/35/7/1176.abstract>

²Monti, D., Kusemchak, M., Politi, M., Policy Brief: The Effects of Smoking on Health Insurance Decisions Under the Affordable Care Act. Center for Health and Economics Policy Institute for Public Health at Washington University. July 2016. Accessed at: <https://publichealth.wustl.edu/wp-content/uploads/2016/07/The-Effects-of-Smoking-on-Health-Insurance-Decisions-under-the-ACA.pdf>

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

Sincerely,

A handwritten signature in black ink that reads "Harold Wimmer". The signature is written in a cursive style with a large, prominent initial 'H'.

Harold Wimmer
National President and CEO
American Lung Association

