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Harold P. Wimmer

March 17, 2017

The Honorable Tom Price, MD  
Secretary of Health and Human Services  
200 Independence Ave, SW  
Washington, DC 20201

Re: Healthy Indiana Plan (HIP) Section 1115 Waiver Extension Application

Dear Secretary Price:

The American Lung Association appreciates the opportunity to comment on Indiana's 1115 waiver extension application. Medicaid expansion has been successful in Indiana and it is important that the program continue to provide healthcare to the over 300,000 Hoosiers currently enrolled in Medicaid expansion in Indiana.

The Lung Association applauds the Indiana Family and Social Services Administration for highlighting and addressing the role tobacco use has in the health of its residents served by the Medicaid program. Tobacco use is the leading cause of preventable death and disease in the United States; quitting smoking is the single best action a person can take to improve their health. In Indiana, it is estimated that 48.3 percent of Medicaid enrollees smoke. [1]

The Lung Association supports initiatives that have been proven effective in helping smokers quit. The waiver extension application includes two such provisions- educating providers and providing financial incentives to smokers who successfully quit. However, the proposal also includes a proposal to impose a tobacco surcharge to the HIP 2.0 population. Tobacco surcharges have not been proven effective in helping smokers quit. One recent study published in *Health Affairs* in July of 2016 looked at the impact of the tobacco surcharge in the exchange population, by definition a group of people who have higher incomes than those eligible for the HIP 2.0 program. The study suggested that the tobacco surcharge did not encourage smokers to quit and in fact, imposing the tobacco surcharge discouraged people from signing up for insurance; forgoing health coverage and care. [2]

This disturbing result of smokers going without healthcare coverage due to the increased cost of the premium may be more acute in the HIP 2.0 population, as lower income populations are more price sensitive.[3] Smokers need health coverage to get the help they need to quit, but also to access other health services. Smoking is a contributing factor to a range of conditions from Type 2 Diabetes and COPD to blindness to numerous cancers. [4] Preventing these diseases is less

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expensive than paying for them once they are diagnosed. However, there will be smokers who are diagnosed with cancer, COPD and other tobacco- related diseases. For those patients having quality healthcare influences their health outcomes. A tobacco surcharge could be the reason an individual is forgoing health coverage.

The American Lung Association recognizes the low utilization rate for tobacco cessation treatments in the Medicaid population in Indiana [5] and the high cost in terms of both lives and dollars that smoking causes. We support the goal to increase tobacco cessation utilization in the HIP 2.0 Waiver Extension Application, but strongly oppose the addition of tobacco surcharges in the application, as surcharges have not been found effective in helping smokers quit. The Lung Association encourages CMS to work with Indiana to develop an evidence-based program to help smokers quit. Thank you for the opportunity to provide comments on this important extension waiver.

Thank you,



Harold Wimmer  
National President and CEO  
American Lung Association

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<sup>1</sup> DiGiulio A, Haddix M, Jump Z, et al. State Medicaid Expansion Tobacco Cessation Coverage and Number of Adult Smokers Enrolled in Expansion Coverage — United States, 2016. MMWR Morb Mortal Wkly Rep 2016;65:1364–1369. DOI: <http://dx.doi.org/10.15585/mmwr.mm6548a2>.

<sup>2</sup> 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>

<sup>3</sup> Ahmed, Syed M., Jeanne P. Lemkau, Nichol Nealeigh, and Barbara Mann. "Barriers to healthcare access in a non-elderly urban poor American population." Health & social care in the community 9, no. 6 (2001): 445-453.

<sup>4</sup> U.S. Department of Health and Human Services. The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014.

<sup>5</sup> Ku L, Bruen BK, Steinmetz E, et al. Medicaid tobacco cessation: big gaps remain in efforts to get smokers to quit. Health Aff (Millwood) 2016;35:62–70. doi:10.1377/hlthaff.2015.0756