April 10, 2014

The Honorable Kathleen Sebelius
Secretary, Department of Health and Human Services
330 Independence Ave. SW
Washington, DC 20201

Via Electronic Submission

Re: Proposed Healthy Pennsylvania 1115 Demonstration Application

Dear Secretary Sebelius:

Thank you for the opportunity to submit comments on the proposed 1115 Demonstration application for the Healthy Pennsylvania plan. The Center for Advocacy for the Rights and Interests of the Elderly (CARIE) is a non-profit organization, founded in 1977, seeking to improve the well-being, rights and autonomy of older persons. CARIE supports Pennsylvania’s decision to accept federal funds to expand Medicaid coverage to low-income Pennsylvanians. However, Pennsylvania’s current proposal should not be approved before many problematic issues are addressed. Those aged 50-64 who are not eligible for Medicaid and who cannot afford to pay privately for insurance coverage will benefit greatly from Medicaid expansion. Nevertheless, we have serious concerns about how the proposed plan may affect these individuals and other Medicaid-eligible adults.

There are numerous problems with Pennsylvania’s proposal. Most importantly, Pennsylvania should not be permitted to use the 1115 demonstration as a vehicle to cut benefits to those who are currently eligible for Medicaid. Neither the “high risk” nor “low risk” plan would adequately serve people with disabilities or those with multiple chronic conditions. If approved, the proposed cuts to current benefits are significant and will have an adverse effect on the health of vulnerable people throughout the Commonwealth.

In terms of the expansion population, the plan also raises many issues of concern. In short, if a private plan option is going to be used to expand Medicaid, the plans should offer the same benefits and protections as available to current Medicaid beneficiaries and, Pennsylvania should not be able to impose the proposed premiums or voluntary work requirements while using federal Medicaid dollars. CARIE opposes the elimination of the Medical Assistance for Workers with Disabilities (MAWD) Program. It is ironic that Pennsylvania wants to eliminate a program that helps thousands of people with disabilities remain employed while at the same time proposing a work search incentive in the plan. While Pennsylvania took a positive step by modifying its proposal around the work search requirements as a condition of eligibility, it should still not be approved. Medicaid dollars should be used for health care and not work search programs. Consumers who cannot work or meet the work search incentives should not be forced to pay higher costs for their premiums or care.
CARIE opposes the proposal to waive all wrap-around services (other than Federally Qualified Health Centers/Rural Health Centers) for all newly eligible adults age 21 through 64. Medicaid recipients are not likely to get needed health care services without Medicaid coverage. Of particular concern is the loss of non-emergency transportation to get to and from appointments. Transportation is a vital link to facilitating individuals’ access to needed health care. CARIE provides transportation advocacy services to older adults and can attest to the importance of the Medical Assistance Transportation Program (MATP) that provides Medicaid beneficiaries with non-emergency transportation services. MATP is a critical service that consumers use as a last resort to get to needed medical appointments, including to get to medical appointments in parts of the state that do not have public transportation. Some heavy users of MATP are those who need dialysis or outpatient treatment for cancer. The health of these individuals would no doubt be compromised if they were not able to get to their medical appointments and could lead to higher costs. We therefore recommend that transportation and other critical Medicaid wrap around services and protections be afforded to all Medicaid beneficiaries under expansion or in any private plan option.

CARIE opposes the proposed $10 copayment on non-emergency use of a hospital emergency department. Premiums should also be eliminated from the proposal. We have concerns about the proposed premiums. The plan requires enrollees to pay a portion of their premium, between $13 to $25 per month for individuals and $17 to $35 for households. This premium cost will pose a burden to low-income adults who struggle to pay their bills and will present a significant hardship for those who are unbanked. Since premiums will deter many low-income adults from enrolling in a private plan option and serve as an obstacle to accessing health care, we recommend eliminating premiums. Furthermore, the lockout periods are an additional obstacle to accomplishing the goal of improving the health of low-income adults. Implementing lockout periods creates a lack of consistency in care and unnecessary churning. This inconsistency will create confusion and increase costs for consumers, health providers, and the state, which will result in a less effective healthcare system. Punitive measures such as the lockout periods should be eliminated from the proposal. Consumers should not lose coverage for failing to pay premiums. In addition, Pennsylvania’s proposal to eliminate retroactive Medicaid coverage should not be permitted.

Finally, Pennsylvania should not be permitted to eliminate fundamental due process protections for beneficiaries in a private plan option. Essential Medicaid due process protections such as the right to notice and fair hearings must be maintained.

Thank you for your consideration.

Diane A. Menio
Executive Director
CARIE