October 12, 2022

Lisa Olson
Medicaid Director
Department of Health Services
PO Box 309
Madison, WI 53707

Dear Director Olson:

The American Lung Association appreciates the opportunity to submit comments on the Wisconsin 1115 Demonstration Waiver Extension.

The American Lung Association is the oldest voluntary public health association in the United States, currently representing the more than 34 million Americans living with lung diseases, including more than 650,000 Wisconsinites. The Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease through research, education and advocacy.

The American Lung Association is committed to ensuring that Wisconsin's Medicaid program provides quality and affordable healthcare coverage. While we support Wisconsin's request to continue providing Medicaid coverage for adults with incomes at or below 100% of the Federal Poverty Level (FPL), we encourage the state to fully expand Wisconsin's Medicaid program. The Lung Association is also opposed to the imposition of premiums, lockouts and health risk assessment requirements. The Lung Association offers the following comments on the Wisconsin 1115 Demonstration Waiver Extension:

Medicaid Expansion
The Lung Association supports the state's efforts to continue to provide coverage to certain adults, however, the partial expansion inadequately addresses the needs of low-income individuals in Wisconsin. By only expanding to 100% of the FPL ($1,919/month for a family of three), thousands of Wisconsinites whose incomes fall between 100% and 138% of the FPL struggle to find affordable coverage. Even with premium subsidies, Marketplace plans with out-of-pocket costs like deductibles will likely be too expensive for these individuals. Many low-income adults remain locked out of accessing affordable health coverage without a full expansion of Medicaid.

The evidence is clear that Medicaid expansion has important health benefits for patients with lung disease. For example, one study found an association between Medicaid expansion and early-stage cancer diagnosis.[1] The lung cancer five-year survival rate is just 21.7%, but it increases to 60% if lung cancer is caught before the tumor has spread.[2] Medicaid expansion can also play a critical role in addressing health disparities. For example, one recent study found that states that expanded Medicaid under the ACA reduced racial disparities in timely treatment for cancer patients.[3] Medicaid expansion is associated with a reduction in preventable hospitalizations, including for asthma and COPD.[4]

Expanding to 138% of the FPL is also more fiscally practical for the state. While Wisconsin's Federal Medical Assistance Percentage (FMAP) for this population is only 60.1%,[5] expansion would allow the state to receive 90% FMAP. It is estimated that Wisconsin would have saved $635 million between 2021 and 2023 if it had fully expanded Medicaid.[6] The Lung Association urges Wisconsin to expand Medicaid coverage to 138% of the FPL to improve the value of the program for the state and to cover all eligible low-income individuals.

Monthly Premiums and Lockouts
The Lung Association opposes monthly premiums. The evidence is clear that premiums make it harder for individuals to obtain or keep healthcare coverage through the Medicaid program.[7] The inclusion of premiums can also exacerbate existing disparities in access to healthcare, as they have been shown to lead to lower enrollments for Black enrollees and lower-income enrollees, compared to their white and higher-income counterparts, respectively.[8] Premiums can be a significant barrier for individuals accessing care, and removing them increases equitable access to care for all enrollees.

The Lung Association is opposed to the proposal to disenroll beneficiaries and lock them out of coverage for up to six months for not paying premiums. Lockouts reduce coverage and do not promote the objectives of the Medicaid program. In Indiana, for example, an estimated 1,000 individuals were locked out of coverage per year as a result of a similar rule.[9] For patients with lung disease, gaps in coverage can worsen health outcomes as patients are unable to access the medication and care needed to manage their condition. For example, research has shown that gaps in medical coverage can increase hospitalizations for conditions such as asthma and COPD.[10] We encourage the state to remove this measure.

Centers for Medicaid and Medicare Services (CMS) has made it clear that it will not approve of premiums outside of those permitted in the Medicaid statute.[11] CMS previously found that premiums do not promote the objectives of the Medicaid program, as seen in Montana[12] and Arkansas.[13] The Lung Association urges Wisconsin to make Medicaid more accessible and equitable by removing both the premiums and lockouts it proposes to impose on adult beneficiaries.

Emergency Department Copayments
The Lung Association also opposes the $8 copay for non-emergent use of the Emergency Department. These copays deter patients from seeking care, which can result in negative health outcomes for patients with acute and chronic diseases. For example, a study of enrollees in Oregon's Medicaid program demonstrated that implementation of a copay on emergency services resulted in decreased utilization of such services but did not result in cost savings because of subsequent use of more intensive and expensive services.[14] Asthma alone is responsible for nearly 2 million emergency department visits each year in the U.S.[15] People should not be financially penalized for seeking lifesaving care for a breathing problem, complications from a cancer treatment or any other critical health problem that requires immediate care. The Lung Association urges Wisconsin to remove this copay from its waiver request.

Health Risk Assessment Requirements
The Lung Association opposes the use of a mandatory health risk assessment requirements to promote healthy behaviors among beneficiaries. Mandatory health risk assessments are not in line with the objectives of Medicaid as they risk the loss of coverage for beneficiaries. Research has found that positive consequences for completing healthy behaviors are more likely to motivate individuals than facing negative outcomes.[16] It is likely that requiring these assessments for enrollment will deter eligible enrollees and serve as an unnecessary barrier to coverage. One example of this is reducing the premiums of non-tobacco users. The practical implication of this is a tobacco surcharge, which does not encourage tobacco users to quit, but rather discourages them from enrolling in healthcare.[17,18] We urge the state to remove this requirement.

Thank you for the opportunity to provide comments.

Sincerely,

Molly Collins
Advocacy Director for Wisconsin
American Lung Association

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[10] https://www.macpac.gov/wp-content/uploads/2022/07/Effects-of-churn-on-hospital-use_issue-brief.pdf

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[12] Letter from Centers for Medicare and Medicaid Services to Marie Matthews, Medicaid Director, Montana Department of Public Health and Human Services, December 21, 2021. Available at: https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/mt/mt-HELP-program-ca.pdf

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