August 16, 2018

COMMENTS SUBMITTED ELECTRONICALLY: https://www.medicaid.gov/

Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

RE: Kentucky HEALTH Medicaid Section 1115 Demonstration Waiver Modification Request

Dear Administrator Verma,

Thank you for inviting further public comment on the Commonwealth of Kentucky’s request to modify the Kentucky HEALTH Medicaid Section 1115 waiver, pursuant to the recent U.S. District Court decision.¹

As board members of the National Diabetes Volunteer Leadership Council (NDVLC) and proud residents of the Commonwealth, we appreciate this opportunity to share our grave concerns regarding Kentucky HEALTH features that will negatively impact people living with diabetes.

The proposed “community engagement” and cost-sharing requirements, and punitive coverage disenrollment and lockouts do not promote Medicaid program objectives. They run counter to 50-plus years of the program’s history providing affordable health care and coverage to eligible enrollees. These demonstrations would make it harder for low-income Kentuckians with diabetes to access lifesaving insulin and other needed care – undermining their health and their ability to work or seek education and training, rolling back Kentucky’s progress under the original Medicaid expansion.

NDVLC is comprised of individuals who have served in a volunteer leadership position of a national diabetes organization. We actively engage in diabetes advocacy at the local, state and national levels – utilizing our experience and expertise to improve safety and quality of life for all children, adults and their families who are living with diabetes. It is in pursuit of this mission that we urge the Centers for Medicare & Medicaid Services (CMS) to consider these concerns as it reevaluates the waiver application and 2017 modification:

• The “community engagement” requirement will cause several thousand non-exempt Kentucky residents to lose affordable health coverage and access to insulin if they are unable to meet the 80 hours-per-month threshold.
• Proposed cost sharing requirements and incentives – including “reward” rollovers – disproportionately impact people with diabetes and provide counterproductive incentives to ration diabetes care.

¹ Stewart v Azar. [2018] Civil Action No. 18-152 (JEB) (United States District Court for the District of Columbia).
• Benefit lockouts risk penalizing people with diabetes who have complex and costly medical needs but are not medically “frail” – leaving otherwise Medicaid-eligible enrollees without coverage and care if they they cannot satisfy paperwork requirements or afford cost-sharing.

These proposed measures run counter to Medicaid program objectives and should not be approved.

Community Engagement
Since 1965, no other administration – from either political party – has enacted Medicaid work or community engagement requirements. It has been a rare quirk in our nation’s history where sound policy prevailed over politics. Other non-health-related federal assistance programs include work requirements2 despite scant evidence they provide a meaningful path out of poverty. CMS also recently authorized an Indiana Medicaid demonstration waiver with community engagement requirements resembling those proposed for Kentucky HEALTH. About 35,000 Hoosiers are projected to lose Medicaid coverage due to failure or inability to comply3 – hardly an example for Kentucky to follow. In fact, an estimated 95,000 low-income Kentuckians may lose Medicaid coverage under similar circumstances.4 This foreseeable outcome fails the test that approved 1115 waivers further Medicaid objectives. It also runs counter to the Commonwealth’s objective to encourage self-sufficiency, as studies confirm expanded Medicaid coverage helps enrollees improve their health,5 and find and maintain employment.6

Diabetes is prevalent in the Medicaid-eligible population, meaning thousands of our neighbors and friends risk losing the very coverage that helps them afford the insulin, other medications and supplies they need to survive and avoid costly long-term complications. A single vial of long-acting insulin could cost $300 or more at a local pharmacy7 – nearly a quarter of the maximum monthly income an individual can earn and still qualify for Medicaid.8 Adding costs for other diabetes medications, devices and supplies it quickly becomes apparent that these essentials are out of reach for low-income Kentuckians without health coverage. Their need for these essentials will not go away if they are disenrolled from Medicaid. They will return to the state’s emergency rooms and struggle to access what they need to survive, much less stay healthy enough to work and care for their families as so many already do.9

Cost Sharing and Incentives
Medicaid expansion addresses serious gaps in access to insulin and other diabetes medications. A recently published study found states that expanded Medicaid had an additional 30 diabetes prescriptions filled per 1,000 people and the increases grew over time.10 Insulin prescription fills increased by 40 percent and newer medications by 39 percent in expansion states, whereas non-expansion states held steady.11

3 Carden D. Federal government approves work requirement for Healthy Indiana Plan participants. The Times of Northwest Indiana. February 2, 2018.
4 Stewart v Azar. [2018] Civil Action No. 18-152 (JEB) (United States District Court for the District of Columbia).
11 Ibid.
All Medicaid enrollees with or at risk for diabetes – whether they are in the traditional or expanded populations – should be encouraged to access and appropriately use necessary care including insulin and other medications, devices, supplies and services.

Diabetes is a costly chronic condition with dire long-term complications, including cardiovascular disease, blindness, kidney failure and lower limb amputations. While diabetes is a serious and complex medical condition, we are concerned the Commonwealth may not exempt people with diabetes from the alternative benefit plan as medically “frail.” Diabetes is an endocrine system disorder, qualified as a disability under the Americans with Disabilities Act, but with appropriate treatment people with diabetes have few limitations to their daily activities. They could hardly be considered “frail.”

If the Commonwealth does not exempt people with diabetes from the Kentucky HEALTH plan, it will be creating a perverse incentive for enrollees to avoid needed care – either because they cannot afford higher cost-sharing or in hopes of rolling over their unused deductible “rewards” to meet future needs. We would much prefer Kentucky model a waiver program on commercial health plans that exempt insulin and other diabetes essentials from deductibles and cost-sharing – encouraging appropriate use rather than rationing.

**Benefit Lockouts**
For the reasons stated above, we believe expanded Medicaid coverage is essential to help low-income Kentuckians with diabetes access the medication and supplies they need. If they are not exempted from the alternative benefit plan, thousands of people with diabetes risk disenrollment if they do not or cannot satisfy the Commonwealth’s documentation or cost-sharing requirements. Their diabetes needs will not go away if they are disenrolled and then locked out of coverage for several months afterward. Diabetes care will once again be out of reach – undoing the Commonwealth’s progress in providing affordable health coverage to our fellow Kentuckians.

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On behalf of the NDVLC, thank you for this opportunity to share our concerns and for your consideration as CMS reevaluates the proposed Kentucky HEALTH demonstration waiver. Please reach out to Erika B. Emerson, Policy and Advocacy Director, at 303-506-6106 or eemerson@ndvlc.org if we can answer any questions or provide further information.

Sincerely,

Lawrence T. Smith
President, National Diabetes Volunteer Leadership Council
Past Chair of the Board, American Diabetes Association

Stewart Perry
Secretary, National Diabetes Volunteer Leadership Council
Past Chair of the Board, American Diabetes Association

cc: National Diabetes Volunteer Leadership Council Board of Directors

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