



June 25, 2021

Texas Health and Human Services Commission
Attention: Basundhara Raychaudhuri, Waiver Coordinator
PO Box 13247
Austin, Texas 78711-3247

RE: Texas Healthcare Transformation and Quality Improvement 1115 Demonstration Waiver

Dear Ms. Raychaudhuri:

Thank you for the opportunity to provide comments on the Texas Healthcare Transformation and Quality Improvement 1115 Demonstration Waiver.

Our organizations represent millions of Texans facing serious, acute and chronic health conditions. Quality, affordable and accessible healthcare coverage is essential to preventing disease, curing illness and managing chronic health conditions. Unfortunately, Texas has the nation's highest uninsured rate; 18.4% of the state's population does not have healthcare coverage.¹

The Texas waiver application contains several important provisions related to access to care in the Medicaid program, but it falls profoundly short of its coverage and cost-effectiveness potential by not including Medicaid expansion. Medicaid expansion has been a lifeline to millions of patients and consumers across the country, especially in the midst of the COVID-19 pandemic. Expanding Medicaid to adults with incomes up to 138% of the federal poverty level (just under \$1,500/month for an individual) could extend coverage to more than 1.5 million Texans, as well as bring in an estimated \$5.6 billion in additional federal dollars to the state, which would completely finance the state's share of the costs for Medicaid expansion for more than three years.^{2,3} While we understand Medicaid expansion would not eliminate all uncompensated care that providers face, it would significantly reduce the amount of uncompensated care in the state and extend comprehensive coverage, not just emergency care, to millions of patients who need it now more than ever. We urge you to take this opportunity to improve

access to care for patients and consumers in Texas and offer the following comments as the state moves forward with this waiver proposal.

Medicaid Expansion

Medicaid expansion is critical for patients with and at risk of serious, acute and chronic health conditions. Reviews of more than 600 studies examining the impact of Medicaid expansion have found clear evidence that expansion is linked to increased access to coverage, improvements in many health indicators, and economic benefits for states and providers.⁴ Our organizations highlight just some of these benefits below.

First, access to preventive services through Medicaid expansion ensures that people have access to services like cancer screenings and tobacco cessation treatment at no cost. Research shows an association between Medicaid expansion and early-stage cancer diagnosis, when cancer is often more treatable.⁵ Medicaid expansion states have also experienced increased utilization of prescription drugs, especially for patients with diabetes and cardiovascular disease.⁶ This helps patients manage their conditions and avoid more expensive care in emergency departments and hospital settings.

Access to preventive care, primary care and other essential health benefits has had a meaningful impact on patients' health. For example, Medicaid expansion is associated with a reduction in preventable hospitalizations, including for asthma and COPD.⁷ State Medicaid expansions also provide continuous care to pregnant women before, during, and after pregnancy, leading to decreases in both maternal deaths and infant mortality.⁸ This means that expansion would build on the important work of the Texas legislature this session, in expanding maternity coverage to six months post-partum. Another study found that Medicaid expansion was associated with reductions in deaths from opioid overdose, including those involving heroin and synthetic opioids.⁹

Medicaid expansion plays an important 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.¹⁰ Medicaid expansion is also associated with improvements in quality measures at federally qualified health centers, which are critical healthcare providers for low-income patients.¹¹

Finally, Medicaid expansion improves the financial well-being of states. Medicaid expansion has been associated with a reduced risk of hospital closures, especially in rural areas.¹² Additionally, the American Rescue Plan provides significant financial assistance to states who have not yet expanded their Medicaid programs. Expanding Medicaid would bring in an estimated \$5.6 billion in additional federal dollars to Texas, which would completely finance the state's share of the costs for Medicaid expansion for more than three years.¹³ Estimates indicate that expansion would create nearly 299,000 jobs and generate over \$500 million in state and local tax revenue.¹⁴

Our organizations urge you act immediately to expand Medicaid for individuals with incomes up to 138% of the federal poverty level.

10-Year Renewal

The proposal also includes a request for this waiver be approved for 10 years. Federal statute limits Section 1115 demonstration extensions to three or five years, depending on the populations covered under the demonstration. Our organizations believe it is important to evaluate the evidence of a waiver's impact on the patients we represent and whether policies should be continued at least that

often and value the opportunity to regularly comment on the waiver proposals during the extension process. We urge the state to remove the request to extend this waiver for 10 years from the final proposal.

Thank you for the opportunity to provide comments on this proposal. Our organizations are committed to working with you to expand affordable, accessible and adequate healthcare for Texans.

Sincerely,

American Cancer Society Cancer Action Network
American Diabetes Association
American Heart Association
American Lung Association Arthritis Foundation
Asthma and Allergy Foundation of America
Cancer Support Community
Epilepsy Foundation Central & South Texas
Epilepsy Foundation Texas – Houston/Dallas-Fort Worth/West Texas
Hemophilia Federation of America
Mended Little Hearts
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation
Pulmonary Hypertension Association
Susan G. Komen
The AIDS Institute
The Leukemia & Lymphoma Society

¹ Kaiser Family Foundation, Health Insurance Coverage of the Total Population, 2019. Available at:

<https://www.kff.org/other/state-indicator/total-population/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.

² Rachel Garfield, Kendal Orgera, and Anthony Damico. “The Coverage Gap: Uninsured Poor Adults in States that Do Not Expand Medicaid.” January 21, 2021. Available at: <https://www.kff.org/medicaid/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/>.

³ Adam D. Striar, Patricia M. Boozang, and Cindy Mann. “Assessing the Fiscal Impact of Medicaid Expansion Following the American Rescue Plan Act of 2021.” April 28, 2021. Available at: <https://www.manatt.com/insights/newsletters/covid-19-update/assessing-the-fiscal-impact-of-medicaid-expansion>.

⁴ Madeline Guth and Meghana Ammula. “Building on the Evidence Base: Studies on the Effects of Medicaid Expansion, February 2020 to March 2021.” May 6, 2021. Available at: <https://www.kff.org/medicaid/report/building-on-the-evidence-base-studies-on-the-effects-of-medicaid-expansion-february-2020-to-march-2021/>.

⁵ Aparna Soni, Kosali Simon, John Cawley, Lindsay Sabik, “Effect of Medicaid Expansions of 2014 on Overall and Early-Stage Cancer Diagnoses”, American Journal of Public Health 108, no. 2 (February 1, 2018): pp. 216-218. Available at <http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.304166>.

⁶ Ghosh, Ausmita, Simon, Kosali and Sommers, Benjamin D., (2017), The Effect of State Medicaid Expansions on Prescription Drug Use: Evidence from the Affordable Care Act, No 23044, NBER Working Papers, National Bureau of Economic Research, Inc, <https://EconPapers.repec.org/RePEc:nbr:nberwo:23044>

⁷ Hefei Wen Kenton J. Johnston, Lindsay Allen, and Theresa M Waters. “Medicaid Expansion Associated with Reductions in Preventable Hospitalizations.” November 2019. Health Affairs. Doi 10.1377/hlthaff.2019.00483

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- ⁸ Adam Searing and Donna Cohen Ross. "Medicaid Expansion Fills Gaps in Maternal Health Coverage Leading to Healthier Mothers and Babies," (May 2019). Georgetown University Health Policy Institute, Center for Children and Families. Accessed at: <https://ccf.georgetown.edu/wp-content/uploads/2019/05/Maternal-Health-3a.pdf>.
- ⁹ Kravitz-Wirtz N, Davis CS, Ponicki WR, et al. Association of Medicaid Expansion With Opioid Overdose Mortality in the United States. *JAMA Netw Open*. 2020;3(1):e1919066. doi:10.1001/jamanetworkopen.2019.19066. Accessed at <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2758476>.
- ¹⁰ American Society of Clinical Oncology, "Racial Disparities in Access to Timely Cancer Treatment Nearly Eliminated in States with Medicaid Expansion." American Society of Clinical Oncology Annual Meeting. June 2, 2019. Access at: <https://www.asco.org/about-asco/press-center/news-releases/racial-disparities-access-timely-cancer-treatment-nearly>
- ¹¹ Megan B. Cole, Omar Galárraga, Ira B. Wilson, Brad Wright, and Amal N. Trivedi. "At Federally Funded Health Centers, Medicaid Expansion Was Associated With Improved Quality Of Care," *Health Affairs* 36, no. 1 (January 2017): pp. 40-48. Available at <https://www.healthaffairs.org/doi/pdf/10.1377/hlthaff.2016.0804>.
- ¹² Richard Lindrooth, Marcelo Perrailon, Rose Hardy, and Gregory Tung, "Understanding the Relationship Between Medicaid Expansions and Hospital Closures," *Health Affairs* 27, no. 1 (January 2018): pp. 111-120. Available at <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2017.0976>.
- ¹³ Adam D. Striar, Patricia M. Boozang, and Cindy Mann. "Assessing the Fiscal Impact of Medicaid Expansion Following the American Rescue Plan Act of 2021." April 28, 2021. Available at: <https://www.manatt.com/insights/newsletters/covid-19-update/assessing-the-fiscal-impact-of-medicaid-expansion>.
- ¹⁴ Leighton Ku and Erin Brantley. "The Economic and Employment Effects of Medicaid Expansion Under the American Rescue Plan". May 20, 2021. Available at: <https://www.commonwealthfund.org/publications/issue-briefs/2021/may/economic-employment-effects-medicaid-expansion-under-arp>