February 10, 2023

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Ave, SW
Washington, DC 20201

Re: Delaware 1115 Demonstration Extension Request

Dear Secretary Becerra:

Thank you for the opportunity to provide feedback on the Delaware 1115 Demonstration Waiver Extension Request.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge the Centers for Medicare and Medicaid Services (CMS) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Delaware's Medicaid program provides quality and affordable healthcare coverage. We support the state's decision to reinstate retroactive coverage for all Medicaid beneficiaries. This proposal will improve health equity and access to affordable care in Delaware, and we urge CMS to approve this request.

Retroactive eligibility in Medicaid prevents gaps in coverage by covering individuals for up to 90 days prior to the month of application, assuming the individual is eligible for Medicaid coverage during that time frame. It is common that individuals are unaware they are eligible for Medicaid until a medical event or diagnosis occurs. Retroactive eligibility allows patients who have been diagnosed with a serious illness to begin treatment without being burdened by medical debt prior to their official eligibility determination, providing crucial financial protections to newly enrolled beneficiaries.

Medicaid paperwork can be burdensome and often confusing. A Medicaid enrollee may not have understood or received a notice of Medicaid renewal and only discovered the coverage lapse when picking up a prescription or going to see their doctor. In Indiana, Medicaid recipients were responsible for an average of $1,561 in medical costs with the elimination of retroactive eligibility.[1] Without retroactive eligibility, Medicaid enrollees could face substantial costs at their doctor's office or pharmacy. This can lead to patients that are newly diagnosed with health conditions delaying their treatment.

Patients with underlying health conditions who are unable to access regular care are often forced to go to emergency rooms and hospitals if their conditions worsen, leading health systems to provide more uncompensated care. The Iowa Hospital Association has stated that the absence of retroactive eligibility harms both trauma centers that administer services before Medicaid applications can be completed and rural hospitals that are forced to absorb costs of uncompensated care.[2] Additionally, when Ohio was considering eliminating retroactive coverage in 2016, a consulting firm advised the state that hospitals could accrue as much as $2.5 billion more in uncompensated care as a result of the waiver.[3]

Removing the waiver of retroactive coverage is especially important as Delaware and other states prepare to unwind the COVID-19 continuous coverage requirements. A recent study from the Kaiser Family Foundation found that 65% of individuals who lost Medicaid or Children's Health Insurance Program (CHIP) coverage had a period of uninsurance in the following year.[4] It also found that more than 40% of individuals re-enrolled in Medicaid or CHIP within a year. During this unprecedented enrollment event, Delaware will benefit from reinstating retroactive eligibility as it will reduce churn and the administrative burden on the Medicaid program.

Given the crucial impact of retroactive coverage on patients, our organizations support Delaware's reinstatement of retroactive eligibility for all demonstration groups in this waiver. This policy promotes the objectives of the Medicaid program and will reduce the burden that patients face during the redetermination process at the end of the COVID-19 continuous coverage requirements.

Thank you for the opportunity to provide comments.

Sincerely,

American Cancer Society Cancer Action Network
American Heart Association
American Kidney Fund
American Lung Association
Arthritis Foundation
Asthma and Allergy Foundation of America
Cancer Support Community
Chronic Disease Coalition
Epilepsy Foundation
Hemophilia Federation of America
Immune Deficiency Foundation
Lupus Foundation of America
National Hemophilia Foundation
National Kidney 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
The Mended Hearts, Inc.

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[1] Healthy Indiana Plan 2.0 CMS Redetermination Letter. July 29, 2016. Available at: https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/Healthy-Indiana-Plan-2/in-healthy-indiana-plan-support-20-lockouts-redetermination-07292016.pdf

[2] Meyer, Harris, "New Medicaid barrier: Waivers ending retrospective eligibility shift costs to providers, patients." Modern Healthcare, February 9, 2019. Available at: https://www.modernhealthcare.com/article/20190209/NEWS/190209936/new-medicaid-barrier-waivers-ending-retrospective-eligibility-shift-costs-to-providers-patients

[3] Virgil Dickson, "Ohio Medicaid waiver could cost hospitals $2.5 billion", Modern Healthcare, April 22, 2016. Available at: http://www.modernhealthcare.com/article/20160422/NEWS/160429965

[4] Kaiser Family Foundation. What Happens After People Lose Medicaid Coverage. January 2023. Available at: https://www.kff.org/medicaid/issue-brief/what-happens-after-people-lose-medicaid-coverage/.