



SENATE FINANCE SUBCOMMITTEE ON HEALTH AND MEDICAID

Chairman Hackett
Vice Chair Tavares

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Chairman Hackett, Vice Chair Tavares, and members of the Senate Finance Health and Medicaid Subcommittee, thank you for hearing my testimony today. My name is Loren Anthes and I am Policy Fellow at the Center for Medicaid Policy at The Center for Community Solutions, a nonprofit, nonpartisan think tank that aims to improve health, social and economic conditions through research, policy analysis and communication.

The Center for Community Solutions makes the following recommendations for consideration by this Committee in regards to the pursuit of multiple Medicaid waivers and the burdensome increased oversight in regards to rates and coverage:

GOVERNMENT SPENDING & MEDICALLY FRAILITY

House language renews the efforts to pursue waivers with the Centers for Medicare and Medicaid Services (CMS) in regards to eligibility restriction, increased consumer obligation, and policy experimentation in the Marketplace. It should be noted that evidence from a Kaiser Family Foundation report looked at states who had implemented or increased premiums in Medicaid, including Oregon, Washington, Utah, Vermont, Rhode Island, Wisconsin, and Maryland, and determined that in each case, there was a precipitous drop in coverage that ranged from as low as 30 percent to as high as 77 percent¹. We believe that these efforts will have an unduly negative effect on rural counties in Ohio, where the population is disproportionately covered by Medicaid, per capita Medicaid spending and unemployment is above the state average. We also are concerned with the lack of analysis in understanding the administrative burden that will be imposed on the state and enrollees, with states such as Virginia foregoing similar projects due to governmental cost outweighing savings by 39 cents on the dollar.

Additionally, on March 15th, Health and Human Services (HHS) Secretary Price and CMS Director Seema Verma, who had worked on Ohio's waiver application last biennium, issued guidance to Governors² that specifically highlighted expanded options in regards to copayments and "reasonable, enforceable premium or contribution requirements, with appropriate protections for high-risk populations." While the House should be commended for including protections for individuals, the language is vague and incomplete. Instead, the Senate could consider mirroring Indiana's language (which was accepted by CMS) and include exemptions for specific at-risk

¹ <https://kaiserfamilyfoundation.files.wordpress.com/2013/01/increasing-premiums-and-cost-sharing-in-medicaid-and-schip-recent-state-experiences-issue-paper.pdf>

² <https://www.hhs.gov/sites/default/files/sec-price-cms-admin-verma-ltr.pdf>

populations such as victims of human trafficking or those with a diagnosis of a substance use disorder.

HINDERING MEDICAID INNOVATION

In addition to these waivers, the House version also dramatically increased oversight over rate development and coverage options for the populations in the Medicaid program. While this desire for increased oversight is understandable, such efforts will add to the bureaucratic nature of the program, making the regulatory process unnecessarily burdensome and inflexible for the Medicaid Department to carry out their efforts to control costs and manage finances, especially in times of economic recession. These policies also open up Ohio's Medicaid spending to greater influence by special interests, potentially codifying the economic imperatives of the medical industry as opposed to reinforcing a reimbursement system built on achieving the greatest value on behalf of Ohio patients and taxpayers.