NM center on law and poverty

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Secretary David Scrase
New Mexico Human Services Department- Office of the Secretary
ATTN: Medical Assistance Division Public Comments
P.O. Box 2348
Santa Fe, New Mexico 87504-2348

VIA EMAIL (HSD-PublicComment@state.nm.us)

Re: Amendments to 8.200.400, 8.200.430, and 8.296.400 of the New Mexico Administrative Code

New Mexico Human Services Department (HSD),

We submit these comments in support of HSD's proposed amendments to the New Mexico Administrative Code (NMAC). The provisions governing the Centennial Care 2.0 waiver provided by the previous administration limited access for New Mexicans to receive high quality, affordable health care by creating unnecessary and harmful barriers to coverage, including co-pays, premiums, and phase out of retroactive coverage. The purpose of Medicaid is to provide medical assistance to individuals and families "whose income and resources are insufficient to meet the costs of necessary medical services." The Medicaid Act also requires that a state plan for medical assistance provide safeguards to ensure that eligibility is determined, and that services are provided, "in a manner consistent with the simplicity of administration and the best interests of recipients."

HSD has struggled in the past to administer Medicaid in compliance with federal law. The federal court has issued multiple Orders and appointed a Special Master to address these issues. The Special Master recommended against the cuts (including co-pays and premiums) that ultimately were submitted in Centennial Care 2.0 waiver application.

Many of HSD's proposed amendments to the NMAC would negate the consequences created by those cuts. We thank the Department for its decision to remove these harmful regulations. We urge the Department to continue focused implementation of initiatives that will improve access to healthcare for New Mexicans.

1. **Co-payment requirements for non-emergency use of hospital Emergency Department (ED) and non-preferred prescription drugs would be detrimental to low-income New Mexicans, as well as administratively unfeasible, and should be removed from the NMAC.**

We support HSD's decision to remove co-pays for non-emergent use of the Emergency Department and non-preferred prescription drugs. Currently, Centennial Care 2.0 allows for members to be charged co-payments of $8 for non-emergency use of a hospital's ED and the same co-payment for non-preferred prescription drugs. Additional financial hardships do not accomplish the Medicaid's stated purpose of providing coverage in the best interests of recipients. Additionally, a large body of research shows that such co-pays deter access to medically necessary care.

2. Monthly premiums for Members of the Adult Expansion Group with income above 100% of the Federal Poverty Level (FPL) would result in unnecessary financial hardship for many members in this group.

We support HSD's decision to remove premiums for adults living just above the federal poverty line. Effective July 1, 2019, the current Centennial Care 2.0 waiver would permit HSD to charge a monthly premium to adults just above 100% FPL. Those who cannot pay may only receive coverage upon completion of a three-month "lock-out" period and receipt of mandatory premiums. Such charges and lock-out restrictions would cause additional financial burdens for low-income New Mexicans and cause thousands to lose healthcare coverage.

Research has consistently shown that even nominal premiums result in coverage loss for families. A study conducted by the Urban Institute in 1990s found a 16% decline in Medicaid enrollment when patients were charged premiums equal to one percent of the family's income, a 49% decline when charged premiums equal to three percent, and a 74% decline when premiums equaled five percent of the family income. Similar findings were noted when Oregon increased premiums for its Medicaid expansion program on a sliding scale from $6 to $20 per month. Within nine months, 50,000 people lost coverage, with those losing coverage four to five times more likely to report using an emergency room for their source of care than those who were enrolled in Medicaid.

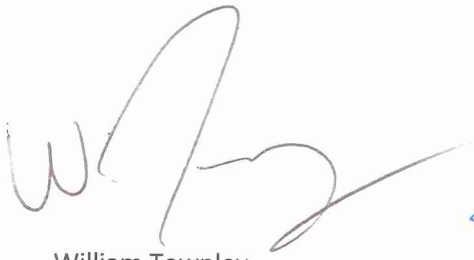
3. A three-month retroactive Medicaid coverage period would provide critical protections to members from potentially catastrophic medical debts and should be fully reinstated as soon as possible.

We support HSD's decision to reinstate retroactive coverage eligibility back to three months. Medicaid is a vital safety net for families in poverty and on the brink of poverty. HSD's current provision to phase out retroactive coverage ends an important protection for patients that pays medical bills incurred in the three months before an eligible patient applied for Medicaid. Many of these patients do not know if they qualify for Medicaid until after they've been sick and visiting the doctor or hospital. It may be months before families can successfully apply for coverage. Retroactive coverage protects these families medical debt and ensures providers are compensated.

Conclusion

We thank the Department for removing provisions in the NMAC that harm access to healthcare for low-income New Mexicans. We urge the Department to continue to focus implementation of initiatives that

will improve access to healthcare for New Mexicans. Should you have any questions, william@nmpovertylaw.org, or Abuko D. Estrada, abuko@nmpovertylaw.org.



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