



More affordable coverage, better care, and stronger consumer protections for all Kentuckians.

MEMBERS

Kentucky Equal Justice Center

Kentucky Voices for Health

Kentucky Center for Economic Policy

Homeless and Housing Coalition of Kentucky

Mental Health America of Kentucky

December 11, 2018

Carol Steckel, MPH
Commissioner
Kentucky Department of Medicaid Services
275 E. Main St.
Frankfort, KY 40601

As consumer advocates working to ensure the health and wellbeing of all Kentuckians, we are writing to ask the Cabinet to reconsider their recent decision to institute mandatory copays for most Medicaid adults.

The undersigned organizations represent a coalition of faith leaders, social services, health care providers, and concerned Kentuckians working to reduce poverty, support working families, and improve health outcomes in our Commonwealth. Having worked hand-in-hand with state agencies, providers, application assisters, legal aid programs, and others across the Commonwealth to get Kentucky covered, we have found that even modest financial barriers can mean the difference between having access to healthcare or going without.

At the heart of our opposition to mandatory copays are the negative consequences caused by cost-sharing requirements. In 2017, the Kaiser Family Foundation (KFF) [synthesized](#) the results of 65 studies on this issue, spanning 17 years. The results were clear: premiums often create a barrier to coverage, and even modest copayments create barriers to access to necessary health services for low-income populations. The summary states:

“...studies have found that increases in cost sharing are associated with increased rates of uncontrolled hypertension and hypercholesterolemia and reduced treatment for children with asthma. Increases in cost sharing also increase financial burdens for families, causing some to cut back on necessities or borrow money to pay for care. In particular, small copayments can add up quickly when an individual needs ongoing care or multiple medications.”

Another [examination](#) of cost-sharing studies, published by the National Institutes of Health, cited several examples of state copayment requirements that led to decreased prescription medication adherence. In Mississippi, a change in prescription copayments from \$1 to \$3 led to a 20% jump in treatment gaps for patients with schizophrenia. In Georgia, a similar change led to cancer patients incurring an additional \$2,000 in medical costs in a six-month period due to increased emergency room visits.

The KFF synthesis showed these costs will be especially harmful to those with lower income levels. The very poor are disproportionately more likely to forego needed care. Conversely, those with chronic physical or mental health issues who must utilize care more frequently will face more of a financial burden. In short, the more vulnerable the population, the more harms faced by the required imposition of copayments. This means people with disabling conditions, newly-arrived refugees, homeless individuals, and survivors of domestic and interpersonal violence attempting to make a new life, will be hit the hardest.

While we recognize that individuals below 100% of FPL cannot be turned away from services, the mere existence of the copay will prevent care for some. When beneficiaries access services for which they cannot pay, the cost burden is shifted to Medicaid providers in the form of reduced reimbursements for services, further straining the health care safety net for Kentucky's poorest residents.

For those making over 100% FPL, we are concerned that those with chronic health conditions or serious acute illnesses will ration needed care as a way of making ends meet. We are especially worried that anyone meeting the proposed definitions of "medically frail" or "temporarily vulnerable" will be affected the most by being charged mandatory copays after months of intensive outreach and education that they were protected from cost-sharing.

Under Federal law, the imposition of copayments is an option states can choose to take. Until July of this year, Managed Care Organizations (MCOs) have been able to *choose* whether to charge copays or not per 907 KAR 1:604. Consequently, MCOs elected not to charge copays. Beginning July 1, the Department filed a regulation requiring MCOs to collect copays only for the expansion population, although nearly all Medicaid members were affected by the confusion that unfolded, leading many to be turned away when they could not pay at the time of service.

Requiring copayments from Medicaid beneficiaries is a choice each state must make. Any budgetary benefits are limited at best, as the unintended consequences of creating barriers to care are often offset by increased costs down the road. For that reason, we are opposed to mandatory copays and again ask that the Cabinet reconsider this new policy.

Sincerely,

Advocacy Action Network
American Heart Association
The Arc of Kentucky
Bridgehaven Mental Health Services
Centerstone Kentucky
Community Farm Alliance
Family Health Centers, Inc.
HealthFirst Bluegrass
Healthy Reentry Coalition of Kentucky
Kentucky Association of Regional Programs, Inc.
National Association of Social Workers – KY
Kentucky Center for Economic Policy
Kentucky Chapter American Academy of Pediatrics

Kentucky Coalition Against Domestic Violence
Kentucky Council of Churches
Kentucky Equal Justice Center
Kentucky Nurses Association
Kentucky Primary Care Association
Kentucky Voices for Health
Mental Health America of Kentucky
NAMI Lexington
National MS Society
Park Duvalle Community Health Center
Recovery Louisville
Shawnee Christian Healthcare Center
Wellspring, Inc.