

November 15, 2017

Memorandum

To: Legislative Health and Human Services Committee  
From: Human Services Department  
RE: Public Input for the Centennial Care 2.0 Waiver Application

Thank you for the opportunity to provide the New Mexico Legislative Health and Human Services Committee with information about the Human Services Department’s (HSD) extensive public input process for the development of the Medicaid 1115 Demonstration Waiver renewal known as Centennial Care 2.0. The process included the following multi-phase approach that began over a year ago and will conclude with the submission of the final 1115 waiver application to the Centers for Medicare and Medicaid Services (CMS) within the next month:

1. Formation of a subcommittee of the Medicaid Advisory Committee and the Native American Technical Advisory Committee that provided recommendations prior to release of HSD’s concept paper (May 2017).
2. Conducting statewide public input sessions and a formal Tribal Consultation after release of the concept paper to inform the development of the draft 1115 waiver application released in September 2017.
3. Holding four formal public hearings (CMS requires two) and a formal Tribal Consultation after release of the draft 1115 waiver application to inform the development of the final 1115 waiver application.

Table 1 outlines the extensive public input sessions that have been conducted, including Tribal Consultations.

**Table 1**

Event	Dates
<b>Planning and Design Meetings: Subcommittee of the MAC</b> <ul style="list-style-type: none"> <li>• Santa Fe</li> <li>• Albuquerque</li> <li>• Santa Fe</li> <li>• Albuquerque</li> <li>• Santa Fe</li> </ul>	October 14, 2016 November 18, 2016 December 16, 2016 January 13, 2017 February 10, 2017
<b>NATAC Meetings</b> <ul style="list-style-type: none"> <li>• Albuquerque</li> <li>• Albuquerque</li> <li>• Santa Fe</li> <li>• Albuquerque</li> </ul>	December 5, 2016 January 20, 2017 February 10, 2017 April 10, 2017
<b>MAC Meetings (All meetings held in Santa Fe)</b>	November 14, 2016 April 3, 2017

Event	Dates
<b>Publish Date - Concept Paper</b>	May 19, 2017
<b>Gather Feedback - Concept Paper Statewide Public Input Sessions</b>	
• Albuquerque	June 14, 2017
• Silver City	June 19, 2017
• Farmington	June 21, 2017
• Roswell	June 26, 2017
NATAC Meeting (Albuquerque)	July 10, 2017
MAC Meeting (Santa Fe)	July 24, 2017
Formal Tribal Consultation (Albuquerque)	June 23, 2017
<b>Notice Period - 60-day advanced notification to Native American / Tribal stakeholders regarding 1115 waiver renewal application</b>	August 31, 2017
<b>Publish Date - Draft 1115 Waiver Application</b>	September 5, 2017
<b>Gather Feedback - Draft Waiver Application Public Hearings &amp; Tribal Consultation</b>	
Meeting sites:	
• Public meeting: Las Cruces	October 12, 2017
• Public meeting: Santa Fe (MAC meeting)	October 16, 2017
• Public meeting: Las Vegas	October 18, 2017
• Tribal consultation (Santa Fe)	October 20, 2017
• Public meeting: Albuquerque	October 30, 2017
<b>Final Waiver Application Submission to CMS</b>	November 30, 2017

In addition to the public input opportunities outlined above, HSD also presented and discussed the waiver renewal application process and proposals during several Legislative Committee hearings, including the Legislative Finance Committee on August 16, 2017 and the Legislative Health and Human Services Committee on September 20, 2017.

The document attached to this letter (Attachment #1) provides examples of the ways in which HSD incorporated certain public feedback -- either through inclusion or exclusion of proposals in the draft 1115 waiver application or by modifying and adding requirements to the MCO contracts. The attached document demonstrates that HSD has been listening and incorporating public comments at every stage of the process. The public comment period for the draft 1115 waiver application only recently concluded on November 6, 2017. It is premature and inaccurate to portray HSD as not being responsive to public input, particularly when it is still in the process of reviewing all of the public comments in advance of finalizing the application.

While HSD has received a broad range of public comment, a majority of the responses included comments about the following proposals:

- Co-payment Requirements for Higher Income Eligibility Categories;
- Premiums for Higher Income Eligibility Categories;
- Elimination of the Three-Month Retroactive Coverage; and
- Elimination of the Transitional Medical Assistance (TMA) Program.

HSD has been providing the estimated number of Medicaid members impacted by specific policy proposals in the draft 1115 waiver renewal during its public presentations, including to the New Mexico Legislature and during the public input sessions throughout the state. The impacts are listed below in Table 2.

**Table 2**

<b>Proposals</b>	<b># of CC Members Impacted</b>	<b>Percent of Total Enrollment in Cent Care</b>
➤ Add Co-payments	Approx. 66,000	10%
➤ Add Premiums	Approx. 66,000	10%
➤ Stop paying for retro-active coverage	Approx. 10,000	1%
➤ Eliminate TMA	Approx. 2,500	<1%
➤ Create a Single Adult Benefit Package (Provide the Alternative Benefit Plan to adults in the Parent/Caretaker category)	Approx. 70,000	10%
➤ Add vision benefit to the Alternative Benefit Plan	Approx. 245,000	30%

Lastly, the Department received an inspection of public records request from the Center on Law and Poverty (CLP) on September 8, 2017. The request was extensive, and requested the Department to make available all impact studies, research, data, budget savings, planning documents, meeting notes, assessments, records, descriptions of administrative changes, policies, directives, guidance, memoranda, instructions, internal policies, procedures, methodologies, agreements, and notices regarding proposed policies for premiums, co-pays, retroactive coverage, Transitional Medical Assistance, and benefits and services for parents/caretakers and 19-20 year-olds receiving EPSDT.

HSD provided records on October 11, 2017 and November 9, 2017<sup>1</sup>. A total of approximately 79 documents were provided. Despite providing all requested information, CLP has deemed the request denied. Furthermore, HSD is uncertain why the CLP asserts that the Department did not include any studies regarding premium or co-pay policies as a component of this request. In fact, HSD’s response included a report by the Kaiser Family Foundation regarding state flexibilities and options for 1115 waivers, specifically regarding premiums, cost-sharing, and retroactive coverage.

It is important to note that program evaluations of state-level demonstrations for cost-sharing in the Medicaid program among the adult expansion population are very limited at this early stage of the adult expansion option. However, an April 2017 Medicaid and CHIP Payment and Access Commission (MACPAC) description of preliminary findings from such demonstrations found that among states with premiums and cost-sharing for the adult expansion, beneficiaries generally found the premiums and cost-sharing to be affordable. In Indiana, six percent of enrollees were disenrolled in the first demonstration year. And in Michigan, 90 percent of beneficiaries with premiums reported reviewing their account statements, which is just the type of personal engagement that Centennial Care 2.0 seeks to encourage and support. Certainly, the Department is very interested in reviewing state impact studies and program evaluations that are specifically relevant to the population that would be subject to premiums and co-pays under Centennial Care 2.0. However, HSD questions the relevance and applicability of studies that pre-date the Affordable Care Act and which are focused on extremely low-income Medicaid populations that would not be subject to any cost-sharing under

<sup>1</sup> HSD provided four additional documents on November 15, 2017.

the renewed Centennial Care waiver.

Moreover, HSD did not commission impact studies before launching Centennial Care in 2014 when it proposed to build a care coordination infrastructure or implement payment reform initiatives or expand access to home and community-based services for any individual meeting a nursing facility level of care. Similarly, it has not conducted impact studies for its proposals to implement a home visiting program or a supportive housing benefit in Centennial Care 2.0, nor has the Center on Law and Poverty requested impact studies from HSD regarding those proposals. The Centers for Medicare and Medicaid Services does not require states to conduct impact studies prior to submitting Section 1115 Demonstration Waiver applications; however, it does require independent evaluations of approved components in such waivers, and HSD is compliant with this requirement.