



September 9, 2016

Mr. John McCarthy  
Medicaid Director  
Ohio Department of Medicaid  
50 W. Town Street, Suite 400  
Columbus, OH 43215

Dear Mr. McCarthy:

This letter is in response to Ohio's June 30, 2016 request for a new demonstration under section 1115 of the Social Security Act (the Act), Healthy Ohio, which would make a number of changes to the state's Medicaid program. As your request notes, Ohio's expansion has been successful, in enrolling low-income Ohioans who were previously uninsured in the new Medicaid adult group, and is part of Ohio's broader commitment to advancing quality, cost-efficient health care to low-income people in the state. The Centers for Medicare & Medicaid Services (CMS) is committed to working with you to continue this important progress, and to ensuring that any changes to Ohio's Medicaid program maintain or build on the important improvements Ohio has seen in access to coverage, access to care and financial security.

As you know, Medicaid law directs the Secretary of Health and Human Services to approve changes to a state's Medicaid program under section 1115 of the Act only to the extent that such changes are likely to further the objectives of the Medicaid program. CMS reviews section 1115 demonstration applications to determine whether they strengthen coverage or health outcomes for low-income individuals in the state, increase access to providers, or otherwise increase the efficiency and quality of care provided to Medicaid beneficiaries and other low-income populations in the state.

After reviewing Ohio's application to determine whether it meets these standards, CMS is unable to approve the state's request for a new section 1115 demonstration. We are concerned about the state's request to charge premiums, regardless of income, to the 600,000 individuals in Ohio's new adult group, as well as hundreds of thousands of low income parents, foster care youth, and beneficiaries with breast and cervical cancer. CMS is concerned that these premiums would undermine access to coverage and the affordability of care, and do not support the objectives of the Medicaid program.

In addition, Ohio's application would exclude individuals from coverage indefinitely until they pay all arrears, a policy that we have not authorized in any state. We do not believe that this practice would support the objectives of the Medicaid program, because it could lead to a substantial population without access to affordable coverage. Our concerns are corroborated by

the data you submitted with your application that estimates that these policies would lead to over 125,000 people losing coverage each year.

As you note in your waiver application, Ohio has made significant commitments to improving payment and strengthening delivery systems for Ohio's Medicaid beneficiaries, as well as progress in serving seniors and people with disabilities in home and community-based settings. CMS stands ready to continue to assist you in these important reforms.

Thank you for your work to improve care for low-income Ohioans. Please contact Vikki Wachino at (410) 786-3870 if you have questions about this letter.

Sincerely,

/s/

Andrew M. Slavitt  
Acting Administrator