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Daniel Tsai  
Director, Center for Medicaid and CHIP Services  
U.S. Department of Health and Human Services  
200 Independence Ave., SW -- Room 323H-01  
Washington, DC 20201

Also submitted via email: [Daniel.Tsai@cms.hhs.gov](mailto:Daniel.Tsai@cms.hhs.gov)

**Re: IN-1115 Healthy Indiana Plan Demonstration Project**

Dear Director Tsai:

Indiana's unacceptably high rate of procedural terminations during the opening months of the Medicaid unwinding call for affirmative steps to alleviate an avoidable health coverage crisis. We have urged Indiana to take all possible steps, including potentially pausing procedural terminations in light of this data. We write now to call on CMS to suspend two waivers in the Healthy Indiana Plan Demonstration Project—the waiver on retroactive coverage and premiums (known in the project as Power Account Contributions).

For years these features have led to unnecessary coverage losses and gaps in healthcare coverage. The Medicaid unwinding has added a new level of urgency for action. As Secretary Becerra [noted in his recent letter to states' governors](#), the “federal government is taking every possible action to keep people covered.” CMS has the authority to suspend these waivers and should take that action to protect against “red tape” coverage losses.

We are writing as a diverse set of organizations across Indiana who represent tens of thousands of Medicaid members who rely on Medicaid to be able to see the doctor or afford care for their children. Since April 2022, many of us have organized monthly meetings with dozens of other Medicaid stakeholder organizations to prepare for the unwinding, coordinate communications, and advocate for policies with the state to ensure continuous coverage.

The early unwinding experience underscores the scope of harm these waivers create for Indiana's Medicaid enrollees. In the first three months of Indiana's unwinding, reports to

CMS have shown a procedural termination rate averaging over 80%, affecting approximately 122,000 people, including many children. These are individuals who for a multitude of reasons have not been able to complete redetermination in a timely fashion and are losing health coverage as a result. Many of these individuals remain eligible, however, and reinstatements of coverage are possible.

Ideally, this churn and associated coverage gaps would be avoided altogether. But where it does occur, Medicaid's traditional three-month retroactive coverage provision mitigates the impacts. Indeed, CMS has recognized how retroactive coverage can mitigate harms from procedural terminations, recently encouraging states to adopt strategies that maximize its reach. *See* "Available State Strategies to Minimize Terminations for Procedural Reasons During the COVID-19 Unwinding Period June 2023," <https://www.medicaid.gov/resources-for-states/downloads/state-strategies-to-prevent-procedural-terminations.pdf> (noting strategy to reinstate eligibility effective on the individual's prior termination date for individuals who were disenrolled based on a procedural reason and are subsequently redetermined eligible for Medicaid During a 90-day Reconsideration Period).

But at the same time, CMS is permitting Indiana to waive this crucial protection for a significant population of otherwise Medicaid-eligible members. The result is predictable: unnecessary medical debt and the avoidance of essential care with adverse impacts on Hoosier health.

The very high rate of procedural terminations also foreshadows additional expected coverage losses when the state reintroduces Power Account Contributions in the future. Premiums have a documented history of causing health coverage losses, in large part because of the procedural burdens associated with paying premiums. For some it means a complete loss of coverage, for others this means a downgrade in services and additional co-pay requirements. Once these features are reintroduced, we expect to see another boost in procedural terminations, which will compound the already high number. Historical data demonstrates that Power Account Contribution requirements disproportionately harm Black and Brown HIP members. Once these waivers are reintroduced, we expect that trend to continue.

CMS has emphasized this is an "All-Hands-On-Deck" moment. We agree and therefore urge CMS to use all of the tools it has available, including its authority to monitor and act when state demonstration projects do not promote the objectives of the Medicaid Act. The unwinding is highlighting flaws in Indiana's Medicaid program that harm Medicaid enrollees. We ask you to immediately suspend these features.

Respectfully Submitted:

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