



March 31, 2020

[Address Block]

Re: Medicaid Coverage During the Coronavirus Pandemic

Dear Director [Name]:

Aimed Alliance is a 501(c)(3) non-profit health policy organization that seeks to protect and enhance the rights of health care consumers and providers. We are writing on behalf of the undersigned organizations. As state Medicaid director, you have the authority to request and implement changes to Medicaid coverage that can help vulnerable residents of your state avoid transmission of COVID-19 and accelerate their recovery if they contract the disease. The Centers for Medicare and Medicaid Services (CMS) has published a comprehensive list of options that Medicaid programs can leverage in their disaster response toolkit.<sup>1</sup> We urge you to consider the following policy options to protect the health of Medicaid enrollees in your state.

## **I. 1135 Waiver**

As of March 27, 2020, 34 states have requested 1135 waivers. Aimed Alliance recommends that all Medicaid directors request 1135 waivers. On March 13, 2020, President Trump declared that COVID-19 presents a national emergency, which enabled CMS to waive requirements for Medicare, Medicaid, and the Children's Health Insurance Program (CHIP) using Sec. 1135 of the Social Security Act.<sup>2</sup> States can request to waive requirements of these programs to

[E]nsure that sufficient health care items and services are available to meet the needs of individuals enrolled in the respective programs and to ensure that health care providers that furnish such items and services in good faith, but are unable to comply with one or more of such requirements as a result of the COVID-19 pandemic, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse.<sup>3</sup>

Waivers requested under Sec. 1135 will remain effective until the national emergency concludes.

### **A. Prior Authorization for Testing and Treatment of COVID-19**

We recommend that Medicaid directors request to waive prior authorization for testing, treatment, and supportive services related to COVID-19 for the duration of the public health emergency, as determined by the Department of Health and Human Services (HHS). With respect to medications, this waiver should apply to treatments that are purchased at either a retail setting or a specialty pharmacy. Prior authorization policies require a health care provider or an insured

<sup>1</sup> <https://www.medicaid.gov/state-resource-center/downloads/mac-learning-collaboratives/medicaid-chip-inventory.pdf>

<sup>2</sup> <https://www.cms.gov/newsroom/press-releases/cms-approves-medicaid-section-1135-waivers-11-additional-states-response-covid-19>

<sup>3</sup> <https://www.medicaid.gov/state-resource-center/downloads/1135-checklist-template.pdf>

individual to obtain approval from the health plan before the plan will cover the cost of a health care product or service.<sup>4</sup> Prior authorization is often used by health plans as a cost-containment measure intended to prevent health care professionals from prescribing high-cost treatments and services that are not medically necessary.<sup>5</sup> However, prior authorization standards can be inconsistent with medical standards of care and can cause care delays that prevent patients from accessing medically necessary treatments and services when they are needed.<sup>6</sup>

Waiving prior authorization requirements may reduce delays in testing and treatment for patients with COVID-19. This is critical because delays in communicating test results to patients can result in them exposing others to the disease. Additionally, early treatment of COVID-19 is likely to prevent patients from experiencing the most severe symptoms of the disease.

## **B. Medicaid State Plan Amendments**

Sec. 1135 waiver requests should also include relaxed public notice and submission deadlines for Medicaid state plan amendments, which would allow your state to make rapid changes to Medicaid program coverage. These amendments may be retroactively applied to treatments and services obtained since the public health emergency was declared.<sup>7</sup> Specifically, Amed Alliance recommends that you obtain from CMS the authority to make these amendments and then implement three amendments to your Medicaid program:

- Provide coverage for treatment and supportive services related to COVID-19 for the duration of the public health emergency;
- Waive cost-sharing for COVID-19 treatment and supportive services for the duration of the public health emergency; and
- Provide coverage for the treatment of high-risk conditions without step therapy, if a provider deems the treatment medically necessary, or without prior authorization for the duration of the public health emergency.
- Clarify that any exemption not only covers medications purchased at retail settings, but also those that may only be available through specialty pharmacies.

Implementing these changes to your state's Medicaid program will ensure that enrollees can receive appropriate treatment if they are diagnosed with COVID-19. Additionally, because COVID-19 presents additional health risks in patients with certain health conditions, including chronic lung disease, moderate-to-severe asthma, heart disease with complications, a compromised immune system, diabetes, renal failure, and liver disease, patients with these conditions should be empowered to successfully manage their conditions with minimal access barriers.<sup>8</sup> Temporarily waiving prior authorization and granting all requests for exemptions from step therapy requirements for the treatment of these conditions will likely decrease the likelihood that patients with these conditions who are exposed to the virus will experience the most severe COVID-19 symptoms.

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<sup>4</sup> <https://www.verywellhealth.com/prior-authorization-1738770>

<sup>5</sup> <https://www.verywellhealth.com/prior-authorization-1738770>

<sup>6</sup> <https://healthpayerintelligence.com/news/prior-authorization-issues-contribute-to-92-of-care-delays>

<sup>7</sup> <https://www.cms.gov/newsroom/press-releases/cms-approves-medicaid-section-1135-waivers-11-additional-states-response-covid-19>

<sup>8</sup> <https://www.cdc.gov/coronavirus/2019-ncov/specific-groups/people-at-higher-risk.html>

Following the outbreak of COVID-19 in the United States, the American economy has experienced severe volatility, which has led to dramatic increases in applications for unemployment across the country.<sup>9</sup> The financial security of many American families has been placed in jeopardy, which could dissuade infected individuals from seeking medical care because of the cost-sharing responsibilities associated with it. Infected individuals could choose to forego medically necessary care, which could result in additional people becoming exposed to the virus and an increased likelihood that the infected individual will experience more severe COVID-19 symptoms. Beyond providing coverage for COVID-19 treatment and supportive services, waiving cost-sharing for COVID-19 treatment and supportive services may encourage infected individuals to seek treatment and thereby contribute to slowing the spread of COVID-19 in your state.

## **II. Managed Care Network Requirements**

Following the outbreak of COVID-19 in the United States, the American health care system has experienced a surge in patients seeking testing and treatment for COVID-19 without having the capacity to provide for all those seeking medical care.<sup>10</sup> Because of these critical shortages in health care capacity, patients may be unable to receive timely care at an in-network setting. This may lead patients to seek care from an out-of-network provider or facility, which would typically burden them with greater cost-sharing requirements. Alternatively, not being able to receive care at an in-network setting could dissuade some patients from receiving care altogether. States are required to ensure that Managed Care Organizations (MCOs), contracted with the state's Medicaid program, provide adequate and timely service coverage for enrollees at out-of-network settings if the MCO's provider network is unable to provide them.

Aimed Alliance recommends that you enforce this contract provision for your state's Medicaid enrollees participating in a managed care program who are seeking testing or treatment for COVID-19 at an out-of-network setting for the duration of the public health emergency. Further, Aimed Alliance recommends that you communicate to managed care enrollees that they will have the flexibility of receiving care at an out-of-network setting if they are unable to receive care from an in-network provider or facility. Enforcing this provision will ensure that the most vulnerable residents of your state are not burdened with unnecessary costs when they receive testing and treatment for COVID-19 at an out-of-network setting.

## **III. Conclusion**

We are in the midst of an unprecedented public health crisis, which will require extraordinary measures to successfully address. Thank you for considering these policy options as you work to protect the health of your state's most vulnerable residents. Please contact me at [policy@aimedalliance.org](mailto:policy@aimedalliance.org) to discuss this matter further.

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<sup>9</sup> <https://abcnews.go.com/Business/financial-assistance-coronavirus-crisis/story?id=69689211>

<sup>10</sup> <https://jamanetwork.com/channels/health-forum/fullarticle/2763353>

Sincerely,

Aimed Alliance  
American Autoimmune and Related Diseases Association  
American Partnership for Eosinophilic Disorders  
Bridge the Gap - SYNGAP Education and Research Foundation  
Chronic Disease Coalition  
Coalition of State Rheumatology Organizations  
Conquer Myasthenia Gravis  
Cured Foundation  
Global Healthy Living Foundation  
Headache and Migraine Policy Forum  
International Foundation for Autoimmune & Autoinflammatory Arthritis  
Lupus and Allied Diseases Association  
Myositis Association  
National Coalition of Infusion Centers  
Patients Rising Now  
Platelet Disorder Support Association  
The American Behcet's Disease Association  
The American Brain Coalition  
The Gluten Intolerance Group of North America  
The National Adrenal Diseases Foundation  
The Sjögren's Foundation  
The Vasculitis Foundation