



April 29, 2019

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-2407-PN
P.O. Box 8016
Baltimore, MD 21244-8016

Submitted electronically via regulations.gov

Re: CMS-2407-PN Basic Health Program Federal Funding Methodology for Program Years 2019 and 2020

Dear Madam/Sir:

Thank you for the opportunity to submit comments on the proposed funding methodology for the Basic Health Plan (BHP) during program years 2019 and 2020. Community Catalyst is a national, non-profit advocacy organization dedicated to quality affordable health care for all. Given our mission, we write to express our concern with the proposed changes to the federal funding methodology.

The Basic Health Program gives states an additional option for providing affordable health coverage to individuals with incomes below 200% of the federal poverty level. BHP also offers states an opportunity to address health equity since a higher percentage of people of color than white people have incomes below this threshold.¹ Although just two states, Minnesota and New York, have adopted this option so far, BHP is an important option for many consumers who need access to affordable health coverage. The Centers for Medicare and Medicaid Services (CMS) own estimates show that more than 800,000 people will benefit from this program during the 2019 and 2020 plan years.²

Given that BHP is an affordable option for so many consumers, Community Catalyst urges CMS not to implement funding methodology changes that are expected to reduce federal investment in this important program by \$300 million.³ In particular, we recommend that CMS not move forward with implementation of the proposed “metal tier adjustment factor”⁴ and instead maintain the current rule.

CMS proposes using the metal tier adjustment factor to reflect the smaller amount of premium tax credit the federal government would have expended if a hypothetical consumer enrolled in a non-silver plan.

¹ K Fontenot et. al., *Income and Poverty in the United States: 2017*, United States Census Bureau, September 2018 at 18, <https://www.census.gov/content/dam/Census/library/publications/2018/demo/p60-263.pdf>.

² 84 Fed. Reg. 12564.

³ *Id.*

⁴ 84 Fed. Reg. 12561.

However, CMS's own data⁵ shows that only a small percentage of consumers have historically chosen a bronze plan. Although CMS notes that this percentage has recently increased slightly as a function of "silver loading" (a practice necessitated by the administration's decision not to pay legally required cost sharing subsidies to health plans) it remains the case that the vast majority of enrollees choose at least a silver plan. Furthermore, the number of such enrollees varies across states and age groups in a way that is difficult to forecast from year to year given the limited data now available.

Given the small proportion of enrollees choosing a bronze plan, and the fact that the proposed metal tier adjustment factor does not improve the accuracy of the formula, we believe it is both unnecessary for CMS to adjust the BHP funding and harmful to do so as the only real effect would be to make health coverage less affordable to current BHP enrollees.

We therefore urge CMS not to adopt the proposed metal tier adjustment factor and instead continue robust federal investment in the Basic Health Program.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Miller".

Michael Miller
Director of Strategic Policy
Community Catalyst

⁵ 84 Fed. Reg. 12561.