



To: House Committee on Finance  
From: Karen Malcolm, Protect Our Healthcare Coalition  
Date: March 10, 2020  
Re: **OPPOSE Budget Article 14 Sections 1 and 5(c) authorizing co-pays in Medicaid**

The Protect Our HealthCare Coalition is a group of leading Rhode Island non-profits and consumer groups with a goal to protect and promote quality, affordable healthcare for all. The Coalition also includes hundreds of community members around the state who support the Coalition's mission.

**The Coalition opposes Budget Article 14 Sections 1 and 5c because Medicaid copays pose a very real barrier to care that will negatively impact health outcomes and are a bad deal for the state and the healthcare system that serves us all.**

Data demonstrates that cost sharing – even co-pays as small as \$1 to \$5 -- negatively affects access to care and health outcomes and can result in unintended consequences, such as increased pressures on safety net providers, in this case pharmacies and hospitals. (Kaiser Family Foundation, June 2017: The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings)

- Approximately 118,000 Rhode Islanders, including 46,000 parents covered under the state's RItCare program, would be impacted. These adults earn less than 138% of poverty -- \$16,243 for an individual or \$27,724 for a single parent of two. This is the kind of poverty that leaves no room in a monthly budget after paying for housing, transportation, child-care, food and other essentials. Small copayments can add up quickly when an individual needs multiple medications, forcing those impacted to forgo filling necessary prescriptions to make ends meet. This reality is supported by the data. For example, a study led by researchers at Brigham and Women's Hospital found that **prescription drug utilization** significantly increased under Medicaid expansion, but that it **increased less in expansion states with higher Medicaid drug copayments**. (The Effect of Health Insurance on Prescription Drug Use Among Low-Income Adults: Evidence from Recent Medicaid Expansions, Journal of Health Economics, Vol. 63, January 2019, pgs. 64-80)
- The estimated general revenue savings of \$4.8 million is far less than the \$13 million Rhode Island would give up in federal funds that help support our healthcare system. The high percentage of Federal funds lost is because the state receives a 90% Federal match for the 70,000 adult Rhode Islanders covered under Medicaid Expansion.
- A substantial part of the \$17.8 million will ultimately fall on hospitals and pharmacies, which will have a hard time collecting small co-pays efficiently from patients in need.

We must continue to build on the positive outcomes Rhode Island has achieved in protecting the health of every Rhode Islander, regardless of income. We urge you to oppose this proposal from becoming law.

Thank you.

**Protect Our Healthcare Coalition partners include:** Economic Progress Institute, Mental Health Association RI, RI NOW, RI Parent Information Network, RI Health Center Association, NAACP Providence Branch, United Way of Rhode Island, Planned Parenthood of Southern New England, SEIU Rhode Island Council, Foster Forward, RI Coalition for the Homeless, Rhode Island Working Families Party, Mental Health Recovery Coalition, Oasis Wellness Center, RI Community Food Bank, Substance Use & Mental Health Leadership Council, Rhode Island Coalition for Children and Families, HousingWorks RI, Rhode Island Organizing Project (RIOP), Thundermist Health Center

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