September 20, 2019

Matt Wimmer
Administrator
State of Idaho, Department of Health and Welfare
450 West State Street PTC Building, 10th Floor
Boise, ID 83705

Re: NORD Comments on Idaho's 1115 Medicaid Wavier Application

Dear Mr. Wimmer:

The National Organization for Rare Disorders (NORD) appreciates the opportunity to submit comments on Idaho's Medicaid Reform Waiver Section 1115 Medicaid Waiver Demonstration Project Application.

NORD is a unique federation of voluntary health organizations dedicated to helping people with rare "orphan" diseases and assisting the organizations that serve them. We are committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

NORD believes everyone, including Medicaid enrollees, should have access to quality and affordable health coverage. Medicaid expansion, as the voters approved in November, will expand coverage to 62,000 Idahoans; this will provide individuals with prevention, early detection and diagnostic services as well as disease management and treatment for their conditions. For example, research has found an association between Medicaid expansion and early stage cancer diagnosis, when cancer is often more treatable.[i] Medicaid expansion states have experienced increased utilization of prescription drugs, especially for patients with diabetes and cardiovascular disease.[ii] This will help patients manage their conditions and avoid more expensive care in emergency departments and hospital settings. Medicaid expansion is associated with improvements in quality measures, including those for asthma management, BMI assessment and hypertension control, at federally qualified health centers, critical healthcare providers for low-income patients.[iii] Medicaid expansion is also playing an important role in addressing health disparities; one recent study found that states that expanded Medicaid under the ACA eliminated racial disparities in timely treatment for cancer patients.[iv] Another recent study found that states the expanded Medicaid increased the percentage of patients who try to quit smoking.[v] Medicaid expansion is clearly beneficial for patients with serious and chronic health conditions.

Unfortunately, this waiver proposal to add a work reporting requirement to the Medicaid expansion will jeopardize the patients' access to quality and affordable health care, and NORD therefore offers the following comments on Idaho's proposal.

Work Reporting Requirements

Under the application, individuals in the expansion population between the ages of 19 and 59 would be required to prove that they work at least 20 hours per week or meet exemptions. One major consequence of this proposal will be to increase the administrative burden on individuals in the Medicaid program. Increasing administrative requirements will likely decrease the number of individuals with Medicaid coverage, regardless of whether they are exempt or not. For example, Arkansas implemented a similar policy requiring Medicaid enrollees to report their hours worked or their exemption. During the first six months of implementation, the state terminated coverage for over 18,000 individuals and locked them out of coverage until January 2019.[vi] Idaho's waiver application includes an estimate that 16,300 individuals could lose coverage or be denied enrollment as a result of the work reporting requirements in the first year of the waiver alone.[vii] This is approximately 18 percent of the Medicaid expansion population; based on the experience of Arkansas which saw a 23 percent disenrollment[viii], it would be expected that the 16,300 individuals is an underestimate.

Failing to navigate these burdensome administrative requirements could have serious – even life or death – consequences for people with serious, acute and chronic diseases. The proposed requirement in Idaho would require individuals to report at least 20 hours of work activity or an exemption monthly and the state to verify compliance every six months. If the state has finds that an individual has failed to comply, they will lose coverage for up to two months. For rare disease patients, any gap in coverage can be detrimental to their prognosis and health. It is imperative that they are able to continue to access adequate, affordable, and accessible healthcare coverage.

Additionally, Idaho is the first state requiring new expansion (Group VIII) enrollees to comply with the work reporting requirement or meet an exemption prior to enrolling in the Medicaid program. Changing the eligibility for Medicaid is sole purview of Congress and cannot be waived. For patients, these draconian requirements could delay or prevent treatment, leading to worse health outcomes. In the rare disease community, patients often already have provider access issues due to the lack of medical specialists available in their area to treat their condition. Now, if a rare patient needs a proof of an exemption from a rare disease specialist before obtaining Medicaid, it could be difficult to navigate without access to healthcare and lead to negative health outcomes. Overall, putting patients and their caregivers in a difficult situation.

NORD is also concerned that the current exemption criteria may not capture all individuals with, or at risk of, serious and chronic health conditions that prevent them from working. Regardless, even exempt enrollees may have to report their exemption, creating opportunities for administrative error that could jeopardize their coverage. In Idaho, the impact will be magnified because exempt enrollees might not have access to a provider prior enrolling in coverage; if these individuals are denied coverage because they are unable to provide needed documentation of a medical condition, they will not get access to the quality, affordable healthcare they need. In Arkansas, many individuals were unaware of the new requirements and therefore unaware that they needed to apply for an exemption.[ix] No exemption criteria can circumvent these problems and the serious risk to the health of the people we represent.

Administering these requirements will also be expensive for the state of Idaho. States such as Kentucky, Tennessee and Virginia have estimated that setting up the administrative systems to track and verify exemptions and work activities will cost tens of millions of dollars.[x] This would divert federal resources from Medicaid's core goal – providing health coverage to those without access to care – and compromise the fiscal health of Idaho's Medicaid program.

Ultimately, these requirements do not further the goals of the Medicaid program or help low-income individuals improve their circumstances without needlessly compromising their access to care. Most people on Medicaid who can work already do so.[xi] A study published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees.[xii] The study found only about a quarter were unemployed (27.6 percent). Of this 27.6 percent of enrollees, two thirds reported having a chronic physical condition and a quarter reported having a mental or physical condition that interfered with their ability to work. Additionally, a study in *The New England Journal of Medicine* found that Arkansas's work requirement was associated with a significant loss of Medicaid coverage, but no corresponding increase in employment, which negates the state's argument that Medicaid enrollment is down because individuals are finding jobs and gaining other coverage.[xiii] The study also estimates that 95 percent of Arkansans subject to the requirements already worked enough hours to meet the requirements or qualified for an exemption, which further confirms that most Medicaid beneficiaries are working if they are able to do so.

Continuous Medicaid coverage can actually help people find and sustain employment. In another report looking at the impact of Medicaid expansion in Ohio, the majority of enrollees reported that that being enrolled in Medicaid made it easier to work or look for work (83.5 percent and 60 percent, respectively).[xiv] That report also found that many enrollees were able to get treatment for previously untreated health conditions, which made finding work easier. Suspending individuals' Medicaid coverage for non-compliance with these requirements will hurt rather than help people search for and obtain employment.

The core objective of the Medicaid program is to furnish healthcare to low-income and needy populations. This waiver does not further that goal and should not be approved. Thank you for the opportunity to submit comments.

Sincerely,

/s/

Rachel Sher,
Vice President of Policy and Regulatory Affairs

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[ii] Ghosh, Ausmita, Simon, Kosali and Sommers, Benjamin D., (2017), The Effect of State Medicaid Expansions on Prescription Drug Use: Evidence from the Affordable Care Act, No 23044, NBER Working Papers, National Bureau of Economic Research, Inc, https://EconPapers.repec.org/RePEc:nbr:nberwo:23044

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[v] Maclean, J. C., Pesko, M. F. and Hill, S. C. (2019), PUBLIC INSURANCE EXPANSIONS AND SMOKING CESSATION MEDICATIONS. Econ Inq, 57: 1798-1820. doi:10.1111/ecin.12794

[vi] Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, "A Look at November State Data for Medicaid Work Requirements in Arkansas," Kaiser Family Foundation, December 18, 2018. Available at: https://www.kff.org/medicaid/issue-brief/a-look-at-november-state-data-for-medicaid-work-requirements-in-arkansas/; Arkansas Department of Health and Human Services, Arkansas Works Program, December 2018. Available at: http://d31hzlhk6di2h5.cloudfront.net/20190115/88/f6/04/2d/3480592f7fbd6c891d9bacb6/011519_AWReport.pdf

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[viii] Alker, Joan. "Arkansas' Medicaid Work Reporting Rules Lead to Staggering Health Coverage Losses." Georgetown University Health Policy Institute Center for Children and Families. January 18, 2019. Available at: https://ccf.georgetown.edu/2019/01/18/arkansas-staggering-health-coverage-losses-should-serve-as-warning-to-other-states-considering-medicaid-work-reporting-requirement/

[ix] Jessica Greene, "Medicaid Recipients' Early Experience With the Arkansas Medicaid Work Requirement," Health Affairs, Sept. 5, 2018. Available at: https://www.healthaffairs.org/do/10.1377/hblog20180904.979085/full/.

[x] Misty Williams, "Medicaid Changes Require Tens of Millions in Upfront Costs," Roll Call, February 26, 2018. Available at https://www.rollcall.com/news/politics/medicaid-kentucky.

[xi] Rachel Garfield, Robin Rudowitz, and Anthony Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, February 2017. Available at: http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/.

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