



September 6, 2019

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Re: Healthy Indiana Plan (HIP) Workforce Bridge Account Amendment Section 1115 Waiver (Project Number 11-W-00296/5)

Dear Secretary Azar:

Thank you for the opportunity to submit comments on Healthy Indiana Plan (HIP) Workforce Bridge Account Amendment Section 1115 Waiver (Project Number 11-W-00296/5).

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what individuals need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge the Department of Health and Human Services (HHS) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Medicaid provides **adequate, affordable** and **accessible** healthcare coverage. Several 1115 waiver proposals submitted to and approved by the Centers for Medicare and Medicaid Services (CMS) in recent months have jeopardized patients' access to quality and affordable healthcare coverage.¹ Unfortunately, this waiver amendment will not solve the problems created by Indiana's previously approved Medicaid waiver requiring enrollees to report hours worked, nor will it advance the goal of affordable healthcare for Hoosiers. Our organizations continue to urge HHS to halt implementation of Indiana's work reporting requirements completely and offer the following comments on this waiver amendment.

The HIP Workforce Bridge Account

The waiver amendment proposes to create workforce bridge accounts in the amount of \$1000 for HIP enrollees who are disenrolled from the state's Medicaid program as a result of increased income. These new workforce bridge accounts will be funded by unspent POWER Account funds.

While these accounts might bring some limited financial relief to Medicaid enrollees who are transitioning onto private health insurance coverage, as the waiver notes, a couple could see their healthcare premiums jump from \$20 per month to \$172.83 per month. The proposed bridge accounts would not provide sufficient relief to these individuals as they transition into the private market.

The waiver also fails to outline the minimum standards a private health plan would have to meet in order to qualify for the bridge account funds. This means that the funds could be spent on association health plans (AHPs), short term plans and other skimpy health plans. Because skimpy plans such as short term plans and AHPs do not have to cover the ten essential health benefits, this could leave Medicaid enrollees who live with acute and chronic illnesses without coverage for the care they need, such as prescription medications and hospital care. The Indiana health insurance marketplace could be segmented, as skimpy plans with lower prices and less generous benefits would attract younger, healthier people. This could further drive up premiums in the marketplace and make healthcare less affordable in Indiana, especially for patients with pre-existing conditions who need comprehensive coverage.

Additionally, this proposal fails to take into account Medicaid enrollees who will be disenrolled from the Medicaid program as a result of being unable to correctly navigate the system to report their hours worked. In Arkansas, the only state which has experience implementing a similar requirement, 18,000 people lost their Medicaid coverage for failing to report their number of hours. A recent study in *The New England Journal of Medicine* found that implementation of Arkansas's work requirement was associated with a significant loss of Medicaid coverage but no corresponding increase in employment, indicating that individuals did not find other jobs that may have increased their incomes and provided other healthcare coverage.² If Indiana's work reporting requirement policy has similar results to the one in Arkansas, individuals will not lose coverage because they find jobs, but because they are unable to navigate the system to report their work. Battling administrative red tape in order to keep coverage should not take away from patients' or caregivers' focus on maintaining their or their family's health.

This waiver is missing the larger problem that is created by implementing a work reporting requirement: thousands of low-income individuals will lose health coverage. Patients need access to consistent, quality healthcare. Indiana recognizes this need for healthcare, for the population that will be disenrolled from the Medicaid program as a result of increased income. There are still thousands of Hoosiers who will lose Medicaid coverage due to the administrative burden of reporting and verifying hours worked per month.

New Exemptions for Reporting Hours Worked

The 1115 Waiver Amendment also proposes to expand the exemption for caretakers of dependent children to report their hours worked. The proposal seeks to exempt caretakers with children under age 13, while the current policy exempts parents and caretakers with dependent children under the age of seven.

Our organizations are concerned that even after expanding the category of exempt individuals, the current exemption criteria may not capture all individuals with, or at risk of, serious and chronic health conditions that prevent them from working. Exempt enrollees will still have to understand how to report

exemptions, creating opportunities for administrative error that could jeopardize their coverage. An analysis of Arkansas's experience implementing similar requirements revealed that the process for reporting exemptions has been complex and has created confusion for enrollees.³ No exemption criteria can circumvent this problem and the serious risk to the health of the people we represent.

Our organizations believe healthcare should be affordable, accessible, and adequate. Unfortunately, this waiver will not solve the problems that the requirement to report hours worked will cause. To ensure all low-income patients with chronic and acute conditions have access to quality and affordable healthcare, we urge HHS to prevent Indiana from implementing a work reporting requirement that jeopardizes Hoosiers' access to healthcare. Thank you for the opportunity to provide comments.

Sincerely,

American Cancer Society Cancer Action Network
American Heart Association
American Liver Foundation
American Lung Association
Chronic Disease Coalition
Epilepsy Foundation
Hemophilia Federation of America
Lutheran Services in America
March of Dimes
Mended Little Hearts
National Multiple Sclerosis Society
National Organization of Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation

CC: The Honorable Seema Verma, Administrator
Centers for Medicare and Medicaid Services

Judith Cash, Director, State Demonstration Group
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services

¹ American Lung Association, A Coordinated Attack: Reducing Access to Care in State Medicaid Programs, July 2018. Accessed at <http://www.lung.org/assets/documents/become-an-advocate/a-coordinated-attack.pdf>.

² Benjamin D. Sommers, MD, et al. "Medicaid Work Requirements—Results from the First Year in Arkansas," *New England Journal of Medicine*. Published online June 18, 2019, https://cdf.nejm.org/register/reg_multistep.aspx?promo=ONFGMM02&cpc=FMAAALLV0818B

³ MaryBeth Musumeci, Robin Rudowitz and Cornelia Hall, "An Early Look at Implementation of Medicaid Work Requirements in Arkansas," Kaiser Family Foundation, October 8, 2018, <https://www.kff.org/medicaid/issue->

[brief/an-early-look-at-implementation-of-medicaid-work-requirements-in-arkansas/?utm_campaign=KFF-2018-October-Medicaid-Arkansas-Work-Requirements](https://www.kff.org/medicaid/issue-brief/an-early-look-at-implementation-of-medicaid-work-requirements-in-arkansas/?utm_campaign=KFF-2018-October-Medicaid-Arkansas-Work-Requirements).