November 1, 2019

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

Re: Idaho Medicaid Reform Waiver: Section 1115 Medicaid Waiver Demonstration Project Application

Dear Secretary Azar:

Thank you for the opportunity to submit comments on Idaho's Medicaid Reform Waiver: Section 1115 Medicaid Waiver Demonstration Project Application.

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. We strongly support Medicaid expansion in Idaho, which was approved by Idaho voters last November and will expand coverage to 91,000 Idahoans. This will provide individuals with prevention, early detection and diagnostic services as well as disease management and treatment for their conditions. Research shows an association between Medicaid expansion and early stage cancer diagnosis, when cancer is often more treatable.[1] Medicaid expansion is associated with improvements in quality measures at federally qualified health centers, which are critical healthcare providers for low-income patients.[2] 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.[3] Clearly, Medicaid expansion is beneficial for patients with acute and chronic health conditions.

Unfortunately, this waiver proposal includes a work reporting requirement for Idaho's expansion that will add administrative barriers that jeopardize patients' access to quality and affordable health care. Our organizations offer 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 certain 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.[4] 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.[5] This is approximately 18 percent of the Medicaid expansion population and is likely an underestimate, given that in Arkansas, 23 percent of individuals were disenrolled as a result of the reporting requirement.[6]

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 80 hours of work activity or an exemption monthly and the state to verify compliance every six months. If the state finds that an individual has failed to comply, they will lose coverage for up to two months. There is no grace period if an individual has a month of noncompliance—coverage would be severed the following month. People who are in the middle of treatment for a life-threatening disease, rely on regular visits with healthcare providers or must take daily medications to manage their chronic conditions cannot afford a sudden gap in their care.

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 the sole purview of Congress and cannot be waived. For patients, these requirements could delay or prevent treatment, leading to worse health outcomes. For example, a chronic disease patient might be physically unable to work and therefore require an exemption to the work reporting requirement. But without health care coverage, he or she may be unable to afford a provider visit that would attest the exemption and the patient would be turned away from the healthcare coverage that he or she needs.

Our organizations are also concerned that the current exemption criteria may not capture all individuals with or at risk of acute or chronic health conditions that prevent them from being able to work. 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.[7] 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.[8] A recent report from the Government Accountability Office found that CMS may be providing federal funds for costs associated with work requirements that are not allowable.[9] These requirements are diverting federal resources from Medicaid's core goal—providing health coverage to those without access to care—and are an inappropriate use of taxpayer dollars.

Ultimately, these requirements do not further the goals of the Medicaid program or help low-income individuals find work. Most people on Medicaid who can work already do so.[10] A study published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees.[11] 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.[12] 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).[13] 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.

Many of our organizations shared our feedback on this proposal during the state comment period earlier this year, during which Idaho received over 1,600 public comments. However, the state still submitted the proposal to CMS five days later, with no changes other than adding a summary of public comments as required by federal regulations. By failing to make any changes to the substance of the proposal, the state completely ignored the concerns and opposition expressed by patients and other stakeholders about the impact of this proposal on access to coverage for individuals in Idaho.

The undersigned organizations believe that healthcare coverage should be affordable, accessible and adequate for patients with chronic and acute health conditions. We strongly support Medicaid expansion in Idaho and urge CMS to reject the request for work reporting requirements. Thank you for the opportunity to submit comments.

Sincerely,

American Heart Association
American Lung Association
Arthritis Foundation
Chronic Disease Coalition
Epilepsy Foundation
Hemophilia Federation of America
Leukemia & Lymphoma Society
March of Dimes
National Alliance on Mental Illness
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation

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

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[3] American Society of Clinical Oncology, "Racial Disparities in Access to Timely Cancer Treatment Nearly Eliminated in States with Medicaid Expansion." American Society of Clinical Oncology Annual Meeting. June 2, 2019. Access at: https://www.asco.org/about-asco/press-center/news-releases/racial-disparities-access-timely-cancer-treatment-nearly

[4] Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, "A Look at February State Data for Medicaid Work Requirements in Arkansas," Kaiser Family Foundation, December 18, 2018. Available at: https://www.kff.org/medicaid/issue-brief/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

[5] Idaho Department of Public Health and Welfare DRAFT Idaho Medicaid Reform Waiver Section 1115 Medicaid Waiver Demonstration Project Application, August 23, 2019. Available at: https://medicaidexpansion.idaho.gov/LinkClick.aspx?fileticket=dknKV-NOaV0%3d&portalid=118

[6] 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/

[7] 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/.

[8] 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.

[9] Government Accountability Office, "Report to Congressional Requesters: Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements." October 2019. Accessed at: https://www.gao.gov/assets/710/701885.pdf

[10] 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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