May 23, 2023

Janet Mann
State Medicaid Director
Arkansas Department of Human Services
Office of Rules Promulgation
2nd Floor Donaghey Plaza South Building
7th and Main Streets, P.O. Box 1437, Slot S295
Little Rock, AR 72203

Re: Arkansas ARHOME 1115 Amendment

Dear Director Mann:

Thank you for the opportunity to provide feedback on Arkansas' ARHOME 1115 Amendment.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions in Arkansas. The purpose of the Medicaid program is to provide healthcare coverage for low-income individuals and families, and our organizations are committed to ensuring that ARHOME provides access to quality and affordable care. Our organizations are strongly opposed to Arkansas' proposal to implement a complex new demonstration amendment that includes both work requirements and time limits for Medicaid beneficiaries. These requirements will greatly threaten continuity of care for Medicaid patients while creating additional barriers and implementation challenges within the ARHOME program. Our organizations urge Arkansas not to move ahead with this proposal.

Arkansas' proposal sets up a tiered coverage structure in which patients have access to different coverage – Qualified Health Plans (QHPs) or Fee-for-Service (FFS) Medicaid – based on their income, length of time in the Medicaid program and compliance with engagement activities. These requirements are not about promoting work but about adding red tape that jeopardizes patients' access to care. The vast majority of those with Medicaid who can work are already actively working; 91% of those in the Medicaid expansion group nationally are either workers, caregivers, students, or unable to work due to

illness.[1] Additional bureaucratic processes to determine patient eligibility and participation in program requirements inherently create opportunities for administrative errors that jeopardize access to care.

Arkansas' proposal to transfer patients from QHPs to FFS for failing to participate in state-defined "engagement activities" will disrupt patient care. Enrollees transferred from QHPs to FFS could lose access to their providers and risk interruption of treatment plans, including previously established prior authorizations for services and medications. This transition will especially affect patients with chronic health conditions that require regular treatment, but that the state has not defined as life-threatening. Research has shown that individuals with disruptions in coverage during a year are more likely to delay care, receive less preventive care, refill prescriptions less often, and have more emergency department visits.[2] Involuntarily transferring beneficiaries between different plans will jeopardize continuity of patient care, which is directly counter to the demonstration's goal to "improve continuity of care."

Our organizations are also concerned that implementation of the proposed requirements will pose challenges for the program and enrollees alike. The proposal would require significant infrastructure and investment to be implemented as proposed, including enhancing data sources, hiring and training staff, and investing in community resources that address health-related social needs. Arkansas' previous proposal to impose work requirements was estimated to cost $26.1 million,[3] and this new proposal may cost as much, if not more, given its complexity. The state's previous proposal also revealed major flaws in the state's ability to use data to identify exemptions and make enrollees aware of new requirements. Ultimately, before litigation halted the policy, 18,000 patients lost coverage largely due to additional paperwork and bureaucracy, not changes to eligibility. Coupled with the procedural and communication challenges that Arkansas is currently facing in its redetermination process, it is unlikely that the state is prepared to undertake a proposal of this magnitude. Our organizations are concerned that this proposal will increase administrative burden on the program as well as increase bureaucratic red tape for patients.

Our organizations remain opposed to work requirements and time limits in all forms, as they are not in line with the goals of the Medicaid program. The ARHOME 1115 Amendment threatens the continuity of care for patients and places undue administrative burden on patients and the Medicaid program in Arkansas. We once again urge the state not to move ahead with this proposal.

Thank you for the opportunity to provide comments.

Sincerely,

American Diabetes Association
American Heart Association
American Lung Association
Cancer*Care*
Cystic Fibrosis Foundation
Epilepsy Foundation
Hemophilia Federation of America
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation

The AIDS Institute
The Leukemia & Lymphoma Society

[1] Guth, Madeline et al. Understanding the Intersection of Medicaid & Work: A Look at What the Data Say. Kaiser Family Foundation. April 24, 2023. Available at: https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-work-a-look-at-what-the-data-say/.

[2] Sugar S, Peters C, De Lew N, Sommers BD. Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the Covid-19 Pandemic. Assistant Secretary for Planning and Evaluation, Office of Healthy Policy. April 12, 2021. Available at: https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf.

[3] Medicaid Demonstrations: Actions Needed to Address Weaknesses in Oversight of Costs to Administer Work Requirements. U.S. Government Accountability Office. October 1, 2019. Available at: https://www.gao.gov/products/gao-20-149.