YOUNG INVINCIBLES

August 17, 2018

Secretary Alex M. Azar II
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Submitted electronically via Medicaid.gov

Dear Secretary Azar:

Young Invincibles appreciates the opportunity to comment on Kentucky's 1115 waiver proposal, Kentucky HEALTH. Young Invincibles (YI) is a non-profit, non-partisan organization committed to expanding economic opportunity for young adults ages 18 to 34, including access to comprehensive, affordable health care and coverage. Medicaid coverage has time and again been proven to improve the lives of young adults by increasing access to health care, reducing financial burden, and supporting economic opportunity and employment. However, Kentucky's proposal contains a number of provisions that would negatively impact access to coverage and care for Medicaid beneficiaries - including low-income young adults. **Because of this, we strongly recommend that CMS not re-approve the waiver proposal.**

Work and Community Service Requirement

Young Invincibles is supportive of programs and policies that truly help people get back to work and create economic opportunity for young adults. Medicaid is one of those programs. However, threatening enrollees with the loss of health insurance will not promote work. Instead, it will create additional barriers to the coverage and care that people need to get and stay healthy. **Kentucky's request to tie participation in work, work related activities, or community service to Medicaid eligibility should be denied.**

- **A work requirement is contrary to the purpose of the Medicaid program and could jeopardize coverage of thousands of enrollees.** The purpose of the Medicaid program is to furnish medical assistance for those with income that is insufficient to meet the costs of medical coverage in order to improve access to affordable health care. A work requirement would not further this goal, and instead make it harder for low-income individuals to access coverage and care. As we already know, most Medicaid enrollees that are able to work, do work.[1] In Kentucky, 60% of non-elderly Medicaid enrollees are

[1] Rachel Garfield, et al, "Implication of work requirements in Medicaid: what does the data say?," Kaiser Family Foundation, June 12, 2018, https://www.kff.org/medicaid/issue-brief/implications-of-work-requirements-in-medicaid-what-does-the-data-say/.

working, and those that do not often face barriers to employment such as health or physical limitations.[2] If a work requirement is implemented, it is estimated that as many as 165,000 Kentuckians - or one quarter of the non-elderly Medicaid population - could potentially lose coverage.[3]

- **Work requirements do not increase employment or reduce poverty.** Research does not support the claim that work requirements increase employment or reduce poverty. For example, evidence from work requirements in other social service programs demonstrates that employment and poverty rates between households that are subject work-requirements and those that are not were virtually the same.[4] In fact, individuals with the most significant barriers to employment often did not find work and the vast majority of people in safety-net programs who were subject to work-requirements remained poor and some became poorer.[5]

- **Medicaid helps people work. Kentucky's proposal to take Medicaid health coverage away from people will make it harder for them to work.** Cutting people off health insurance will not increase their employment opportunities. However, data demonstrates that having health insurance coverage through Medicaid helps people get and maintain employment. For example, an analysis of Ohio's Medicaid expansion found that 52.1 percent of expansion enrollees said that Medicaid coverage made it easier for them to get and keep employment.[6] In surveys of unemployed Medicaid expansion enrollees in Ohio and Michigan, the majority (74.8 percent in Ohio and 55 percent in Michigan) said that having Medicaid coverage made it easier for them to look for work.[7]

- **People losing Medicaid coverage will have no other affordable coverage options and will simply go uninsured.** Prior to the Affordable Care Act, low income adults had few options for affordable comprehensive health insurance. There is already strong evidence that Medicaid expansion has significantly reduced the number of uninsured in Kentucky. In 2015, two years after coverage expansions took effect, the rate of uninsured

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[2] Anuj Gangopadhyaya, et al, "Updated: who could be affected by Kentucky's Medicaid work requirements, and what do we know about them?," Urban Institute, March 2018, https://www.urban.org/sites/default/files/publication/96576/3.26-ky-updates_finalized_1.pdf.

[3] Ibid.

[4] Pavetti, "Work requirements don't cut poverty, evidence shows," Center on Budget and Policy Priorities, June 7, 2016, https://www.cbpp.org/research/poverty-and-inequality/work-requirements-dont-cut-poverty-evidence-shows.

[5] Ibid.

[6] Loren Anthes, "The Return on Investment of Medicaid Expansion: Supporting Work and Health in Rural Ohio," Center for Children & Families (CCF) of the Georgetown University Health Policy Institute, January 10, 2017, https://ccf.georgetown.edu/2017/01/10/the-return-on-investment-of-medicaid-expansion-supporting-work-and-health-in-rural-ohio/

[7] Jessica Gehr and Suzanne Wikle, "The Evidence Builds: Access to Medicaid Helps People Work." Center for Law and Social Policy, December 2017, https://www.clasp.org/sites/default/files/publications/2017/04/The-Evidence-Builds-Access-to-Medicaid-Helps-People-Work.pdf

low-income adults dropped by 25 percentage points, from 38 percent to 13 percent.[8] A work requirement could leave otherwise Medicaid eligible individuals without any coverage options putting their health and finances at risk.

- **Cutting Kentucky residents off Medicaid will hurt families' financial security**. Medicaid helps improve financial security for individuals and families by protecting them from medical costs and debt. There is substantial evidence to demonstrate how important Medicaid is to financial stability. For example, an analysis of the impact of Medicaid expansion on credit reporting activity found that expansion was associated with a significant reduction in people's unpaid bills and the amount of debt sent to third party collection agencies.[9] Another study found that Medicaid expansion is associated with reduced medical debt and improved finances among enrollees.[10] Ohio's assessment of Medicaid expansion enrollees found that Medicaid coverage helped enrollees' finances: 22.9 percent of expansion enrollees said their financial situation improved.[11] Medicaid also made it easier for enrollees to afford other life essentials: 58.6 percent said Medicaid coverage made it easier for them to purchase food; 48.1 percent said it made it easier for them to pay rent or a mortgage; and 44.8 percent of enrollees with medical debt said that with Medicaid expansion, they saw that debt end.[12]

- **Paperwork and documentation requirements will make it harder for all enrollees to keep Medicaid.** When states add paperwork requirements to Medicaid, enrollment falls.[13] Even those individuals that are already working or otherwise exempt could find it difficult to comply with onerous reporting requirements putting their coverage at risk.[14] In fact, estimates suggest that the majority of coverage losses under work requirements would come from individuals that are already working or exempt, but are unable to navigate new administrative requirements or red tape.[15] That will happen with the Kentucky's proposed work requirement as well, and enrollment will fall - including for working adults, people

[8] Susan L. Hayes, et al. "Health Care Coverage and Access Rates in Kentucky Reflect the ACA's Successes," The Commonwealth Fund, March 17, 2017, https://www.commonwealthfund.org/blog/2017/health-care-coverage-and-access-rates-kentucky-reflect-acas-successes

[9] Luojia Hu, et al. "The Effect of the Patient Protection and Affordable Care Act Medicaid Expansions on Financial Well Being," National Bureau of Economic Research, February 2018, http://www.nber.org/papers/w22170

[10] Karina Wagnerman, "Medicaid Expansion Reduced Unpaid Medical Debt, Improved Financial Well-Being for Families," Center for Children & Families (CCF) of the Georgetown University Health Policy Institute, August 2, 2017, https://ccf.georgetown.edu/2017/08/02/medicaid-expansion-reduced-unpaid-medical-debt-improved-financial-well-being-for-families/

[11] Loren Anthes, "The Return on Investment of Medicaid Expansion: Supporting Work and Health in Rural Ohio," Center for Children & Families (CCF) of the Georgetown University Health Policy Institute, January 10, 2017, https://ccf.georgetown.edu/2017/01/10/the-return-on-investment-of-medicaid-expansion-supporting-work-and-health-in-rural-ohio/

[12] Ibid

[13] Margot Sanger-Katz, "Hate paperwork? Medicaid recipients will be drowning in it," New York Times, Jan. 18, 2018, https://www.nytimes.com/2018/01/18/upshot/medicaid-enrollment-obstacles-kentucky-work-requirement.html.

[14] Ibid

[15] Garfield, et al, "Implications of a Medicaid work requirement: national estimates of potential coverage losses," Kaiser Family Foundation, June 27, 2018, https://www.kff.org/medicaid/issue-brief/implications-of-a-medicaid-work-requirement-national-estimates-of-potential-coverage-losses/

with medical conditions who cannot work but do not qualify for SSI disability, and family caregivers. The added paperwork and tracking will cause enrollees across the board to lose health coverage.

Lock-outs associated with prompt paperwork filing requirements

Medicaid is the only type of health insurance that requires annual documentation for redetermination of eligibility. Because of this, many people may briefly lose, or "churn" off, Medicaid coverage until they resolve documentation or mailing address issues connected to the renewal process. A lock-out at renewal will mean that a large percentage of Medicaid-eligible individuals in Kentucky will be shut out of coverage altogether. Additionally, locking Kentucky residents out of Medicaid coverage for failure to promptly report a change in income or other circumstances promptly is a policy that has the sole purpose of cutting people from coverage. In both cases, the vast majority of Medicaid enrollees locked out of coverage will become uninsured, with those below 100 percent of the poverty level particularly at risk, because they do not have access to marketplace coverage. **Kentucky's proposal to add coverage lock-outs for failure to promptly renew Medicaid eligibility and for failure to report changes in circumstances will result in huge coverage losses. CMS should reject this proposal**.

Premiums and cost sharing

Numerous studies have found that requiring low-income Medicaid beneficiaries pay premiums in exchange for coverage reduces enrollment,[16] increases disenrollment,[17] and increases the number of uninsured in a state. States' implementation of Medicaid premiums has been associated with an increase in uninsured patients, as well as increases in emergency department use by the uninsured.[18] The proposal to add a premium requirement to Kentucky's Medicaid expansion would likely have the same outcome. Additionally, for Kentucky enrollees with incomes above poverty, the disenrollment penalty and lock-out will exacerbate this problem, and result in some enrollees having gaps in coverage and associated gaps in care. Even for enrollees not subject to disenrollment, as evidence has show the presence of the premiums could reduce enrollment. **Premiums in Medicaid cause people to drop coverage, which will increase the number of uninsured in the state. CMS should reject this proposal.**

Making dental benefits conditional

[16] David Machledt and Jane Perkins, "Medicaid Premiums and Cost Sharing," National Health Law Program, March 25, 2014, http://www.healthlaw.org/about/staff/david-machledt/all-publications/Medicaid-Premiums-Cost-Sharing#.W3X6cpPwZAY

[17] Brendan Saloner, et al. "Medicaid and CHIP Premiums and Access to Care: A Systematic Review," Pediatrics, March 2016, http://pediatrics.aappublications.org/content/137/3/e20152440

[18] Samantha Artiga, et al. "The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings," Kaiser Family Foundation, June 1, 2017, https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/view/print/

Untreated dental disease can have a negative impact on overall health. Difficulty eating, sleeping, and chronic pain all have significant health implications beyond oral health. Poor oral health is also linked to complications for people with diabetes, heart and lung disease, and to poor birth outcomes.[19] However, access to dental services can significantly improve health and employment prospects. Twenty-nine percent of low-income adults – nearly twice the rate of those with higher incomes – report that the state of their mouth negatively affects their ability to interview for a job.[20] **Tying dental access to premium payments for the lowest income enrollees places their dental coverage at risk and CMS should reject this proposal.**

Eliminating non-emergency medical transportation

For Medicaid enrollees, lack of transportation is a major barrier to timely access to care.[21] Many do not have cars and, particularly in rural areas, do not have access to public transportation.[22] Non-emergency medical transportation (NEMT) helps lower-income Kentucky residents get the health care they need before it becomes a more expensive emergency. **Eliminating NEMT will make it harder for Medicaid enrollees to get appropriate care at the appropriate time and CMS should reject this proposal.**

Eliminating retroactive coverage

Retroactive coverage is a long standing safeguard built into the Medicaid program that helps protect low income beneficiaries and their providers. Retroactive coverage ensures that these individuals can still seek care without the risk of medical debt and encourages providers to treat Medicaid-eligible individuals by ensuring payment for their services. **CMS should reject Kentucky's request to waive Medicaid's three-month retroactive coverage provision.**

- **Retroactive coverage helps Medicaid enrollees move out of poverty**. Kentucky states that one of its key objectives is helping low-income Medicaid enrollees move out of poverty. Retroactive Medicaid coverage can help that happen. It keeps low-income, Medicaid-eligible individuals from incurring crippling medical debt that can make it impossible for them to get ahead.
- **Retroactive coverage reduces uncompensated care, and that helps Kentucky's health system.** Eliminating retroactive coverage would result in an approximately five percent loss in Medicaid revenue for safety-net hospitals.[23] Those hospitals—which are often

[19] US Department of Health and Human Services, Oral Health in America: A Report of the Surgeon General (Rockville, MD: U.S. Department of Health and Human Services, National Institute of Dental and Craniofacial Research, National Institutes of Health, 2000), http://www.nidcr.nih.gov/DataStatistics/SurgeonGeneral/Documents/hck1ocv.@www.surgeon.fullrpt.pdf
[20] Ibid.

[21] Paul T. Cheung, et al. "National Study of Barriers to Timely Primary Care and Emergency Department Utilization Among Medicaid Beneficiaries," Annals of Emergency Medicine, July 2012, https://www.annemergmed.com/article/S0196-0644(12)00125-4/abstract

[22] Sara Rosenbaum, et al. "Medicaid's Medical Transportation Assurance: Origins, Evolution, Current Trends, and Implications for Health Reform," George Washington University, Department of Pulbic Policy, July 2009, http://web1.ctaa.org/webmodules/webarticles/articlefiles/Medical_Transportation_Assurance_Report.pdf

[23] Allen Dobson, et al. "The Financial Impact of the American Health Care Act's Medicaid Provisions on Safety-Net Hospitals, " The Commonwealth Fund, June 2017, https://www.commonwealthfund.org/sites/default/files/documents/___media_files_publications_fund_report_2017_jun_dobson_ahca_impact_safety_net_hosps_v2.pdf

teaching hospitals, major trauma centers, and major area employers—depend heavily on Medicaid revenue. This proposal is a direct hit to critical hospitals in the state, and would hurt the health system for all state residents.

For the reasons outlined above, Kentucky's proposal must be rejected.

Thank you for the opportunity to comment on this important program. Should you have any questions, please don't hesitate to contact Caitlin Morris, Policy and Research Director at caitlin.morris@younginvincibles.org.