



August 15, 2018

Administrator Seema Verma
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW.
Washington, DC 20201

Dear Ms. Verma,

On behalf of the Association of Asian Pacific Community Health Organizations (AAPCHO), we write to offer comments on the proposed Kentucky Medicaid waiver. AAPCHO strongly opposes this waiver because of the profound and negative impact that the waiver will have on low-income populations in the state. The proposed waiver will cause people to become uninsured, resulting in people delaying or altogether forgoing needed health care services and chronic disease management. In the strongest possible terms, AAPCHO opposes this waiver.

AAPCHO is a national not-for-profit association of 34 community-based health care organizations, 29 of which are Federally Qualified Health Centers, that primarily serve medically underserved Asian Americans (AA) and Native Hawaiians and Pacific Islanders (NHPI). AAPCHO is a national voice to advocate for the unique and diverse health needs of AA and NHPI communities and the community health providers that serve those needs. Among other things, AAPCHO develops, tests, and evaluates health education and promotion programs of national significance. We also offer technical assistance and training to promote the establishment and expansion of services for medically underserved AA and NHPI communities.

AAPCHO strongly supports programs that promote work and self-sufficiency. However, Medicaid is not one of those programs. Medicaid is health insurance that promotes wellness, provides chronic disease management, and helps *keep* individuals healthy enough to work. There is no evidence showing that having Medicaid coverage results in fewer individuals working. In fact, in an assessment of Ohio's Medicaid expansion program, the majority of enrollees stated that Medicaid coverage made it easier for them to get and keep employment¹

¹ <https://ccf.georgetown.edu/2017/01/10/the-return-on-investment-of-medicaid-expansion-supporting-work-and-health-in-rural-ohio/>

In Kentucky, imposing work requirements to maintain Medicaid coverage will make it harder for individuals to keep Medicaid, with the state's own estimates predicting that 95,000 people will lose coverage.

The paperwork and documentation requirements associated with implementing Medicaid work requirements are tremendous and particularly difficult, even for individuals who are already working. A significant body of literature suggests that increasing paperwork burden causes people to lose health insurance. In addition, administrative costs rise significantly, as this additional paperwork must be processed. In this case, enforcement of Medicaid work requirements impacts almost everyone: People who are already working will need to provide significant documentation of the hours they worked. People who are exempt from the work requirement will need to prove that they are exempt. Individuals who are looking for full time employment will need to document hours in community service, job training, or hours spent applying for jobs. Every one of these groups will lose Medicaid coverage if their documentation is not submitted at regular intervals. Further, states are currently prohibited from using federal Medicaid funds for necessary employment supports, including child care and transportation, placing additional barriers on families who are trying to maintain employment so that they can have continued Medicaid health coverage for their families.

AAPCHO is also deeply concerned about the lockout periods for failure to renew Medicaid coverage eligibility or failure to report changes in circumstances, *even when those circumstances do not impact eligibility*, as well as for non-payment of Medicaid insurance premiums. These policies that cause individuals to be locked out from Medicaid coverage for up to 6 months at a time will result in huge coverage losses, massive turnover between different types of health coverage and/or repeated loss of health coverage, and ultimately in decreased health status and overall poor health outcomes for patients. In addition, reinstating Medicaid coverage prior to the end of the 6 month lockout period only if individuals pay all past due amounts and the current month's premium *and* if they complete a state-approved health or financial literacy course makes it extremely difficult for individuals to reinstate their Medicaid health coverage prior to the end of the 6 month lockout period, leaving them and their families without a way to access necessary health care for 50% of the year.

Medicaid makes it possible for people with chronic conditions to get the health care services and prescription drugs they need to get healthy. Medicaid lockout periods will significantly interfere with treatment and care of patients, especially those with chronic conditions. With Medicaid, an individual can seek and receive care for their chronic conditions, such as diabetes. With implementation of Medicaid work requirements, the vast majority of Medicaid enrollees locked out of coverage will become uninsured, with those below 100 percent of Federal Poverty Level particularly at risk, since they do not have access to marketplace insurance coverage.

While uninsured, those with chronic diseases such as diabetes will have their diabetes and other chronic diseases become uncontrolled and more acute, increasing their likelihood of having a major medical event occur, such as a heart attack, resulting not only in high uncompensated hospital costs and

financial costs to individuals' families, but also significantly poorer health outcomes, which may prevent an individual from working in the future or having the resources to care for their families due to their resulting frail health status from not being able to access preventive healthcare to control their chronic diseases after losing Medicaid coverage. Further, when the lockout period is over, Medicaid's costs will increase as individuals will need to start from scratch to regain control of their chronic diseases, such as diabetes and high blood pressure, which were untreated during their lockout period. As a result, Medicaid lockout periods that result from the implementation of Medicaid work requirements will create disruptions in necessary healthcare for communities, leading to poor health outcomes and increased costs for Kentucky residents. Current policy states that Section 1115 of the Social Security Act, which allows for Medicaid waivers, can be used to develop demonstration projects that are likely to assist in promoting the objectives of the Medicaid program to better serve Medicaid populations.

Introducing Medicaid work requirements under an 1115 Medicaid waiver in Kentucky is not an attempt to better serve those who currently access healthcare through Medicaid coverage. In fact, Kentucky's Medicaid work requirements do not have any components that would improve community health, but rather, these work requirements appear to only be an attempt to save money for the state in the short term by not having to cover the health costs of all those who will lose Medicaid health coverage due to the newly implemented stringent work requirements with lockout periods and a heavy paperwork burden for individuals to prove they are still eligible for Medicaid coverage. Since pure cost saving measures cannot be classified as a demonstration project under an 1115 waiver, Kentucky's Medicaid work requirements should not be permitted under current law.

By creating an unnecessarily burdensome system that requires individuals to repeatedly prove their Medicaid eligibility and by instituting prolonged and harsh lockout periods that will cause many individuals to become recurrently uninsured, preventing them from having access to essential healthcare, introducing Medicaid work requirements under a 1115 Medicaid waiver in Kentucky should not be permitted, as it appears to only be an attempt to save money for the state in the short term, but will, in fact, likely increase financial and health costs to the state in the long term. For these and the other reasons stated above, AAPCHO strongly opposes Kentucky's Medicaid work requirements and urges that Kentucky's 1115 Medicaid waiver is not permitted.

Sincerely,



Jeffrey B. Caballero, MPH
Executive Director