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Thousands of Idahoans Oppose Medicaid Reporting Requirements

BOISE, ID – As Idaho closes the state comment period for its 1115 proposal for Medicaid work reporting requirements, thousands of individuals from across the state have made it clear they don't support the effort to impose bureaucratic restrictions to needed health insurance. Close the Gap has collected over 1,800 comments on behalf of Idahoans opposed to the new policy.

The majority of comments highlight how the policy will lead to dangerous coverage losses in Idaho. Idaho's own application concedes that approximately 18 percent, or 16,000 of the 91,000 Idahoans expected to enroll in expanded Medicaid could lose coverage. Applying the coverage loss rate of 23 percent that Arkansas experienced, however, suggests that closer to 21,000 Idahoans would lose health coverage. In their comments, health care stakeholders outline the devastating consequences behind those startling numbers to show the true impact to Idahoans.

“Chronic illnesses, like heart disease, require consistent monitoring, daily medication, and regular doctor visits to keep an individual healthy and productive” said Erin Bennett, Director of Government Relations for the American Heart Association in Idaho. “When patients lose health care coverage, they often go without this care, leading to more emergency room visits, hospital stays, and potential disability. Those without access to reliable health care are more likely to lose a job when they are unable to work due to deteriorating health conditions, the opposite of what this requirement seems to intend.”

The actual number of Idahoans barred from enrolling or losing coverage will likely be even higher because Idaho's policy is considerably harsher than Arkansas—with enrollees losing coverage after just one month of missing paperwork deadlines. In contrast, Arkansas had a “three strikes you're out” policy – only terminating coverage after three months of missed reporting deadlines.

“If approved, Idaho's work reporting requirement will almost certainly end up in court like those before it in other states” said Liz Woodruff, coordinator of Close the Gap Idaho. “Like the policies struck down in Arkansas, Kentucky, and New Hampshire, Idaho's proposal violates the central tenet of Medicaid, which is a program designed as health coverage for low-income Americans. We hope that, unlike in Arkansas,

thousands of Idahoans won't have to lose their Medicaid coverage before that becomes clear.”

Included with this release are comments from steering committee members of Close the Gap Idaho, highlighting a broad spectrum of health care stakeholders in opposition to the restriction. These comments make it clear that Idaho voters, doctors, nurses, hospitals, health care organizations and experts all oppose work reporting requirements.

As the waiver moves forward Close the Gap will continue to be involved in the federal advocacy period and will monitor the process of review. It's unlikely that Idaho will hear back from the federal government on approval before next spring, but if the waiver is approved it will almost certainly be challenged in court. Idaho will join the list of other states being sued over illegal Medicaid policy that hurts its residents, and will likely join the growing list of states that have had their work reporting requirements thrown out in court.

The Idaho Department of Health and Welfare will review the thousands of comments from citizens across the state before making any adjustments to the application and sending it to the Centers for Medicaid Services (CMS) for review. After review, a 30-day federal comment period will be opened, giving Idahoans as well as health care advocates across the country a final opportunity to oppose this dangerous restriction.

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About Close the Gap Idaho: Close the Gap Idaho is a network of over 5,000 organizations and individuals statewide, working to support a complete solution to the coverage gap and to preserve health coverage for Idahoans. Close the Gap Idaho has led the effort to expand Medicaid in Idaho since 2014. A list of Close the Gap Idaho steering committee members can be found on the Close the Gap Idaho website.



September 21, 2019

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To Whom It May Concern:

Idaho Voices for Children respectfully submits these comments in response to Idaho's 1115 "Idaho Medicaid Reform Waiver," a proposal to limit access to health coverage for otherwise eligible Idahoans by adding a work requirement to Idaho Medicaid. Idaho Voices for Children champions policies that help Idaho's kids and families thrive. Because affordable health coverage makes such a huge impact on the well-being of Idaho families, we have worked to close the health coverage gap in Idaho for the past several years. We are deeply invested in ensuring that Idaho's voter-approved Medicaid expansion is implemented in a way that supports low-income families in Idaho receiving comprehensive and affordable health coverage. Below we detail our objections to Idaho's 1115 Work Requirement waiver and ask that the State of Idaho not submit the application as a result of public concern. If the application is submitted, we strongly encourage the Center for Medicaid and Medicare Services to listen to the public input on this waiver and reject Idaho's application.

Health coverage under Medicaid expansion is good for Idaho

Prior to the passage of Medicaid expansion by Idaho voters in 2018, 62,000 Idahoans below 100% of the federal poverty level languished in Idaho's health care coverage gap. Ineligible for a tax credit and making too much to qualify for Medicaid, Idahoans in the gap, who are mostly in working families, lacked health coverage and were only able to access health care sporadically, in emergency room settings, which led to high health care costs covered by Idaho taxpayers through county indigent spending, the state catastrophic funds, and Idaho's hospitals, which covered uncompensated costs.

With health coverage, Idaho families will be able to access preventative care, reducing costs and improving their ability to work and take care of their families. Medicaid expansion indirectly benefits children, as evidenced in a recent study that found Medicaid expansion states had 422 fewer cases of neglect per 100,000 children younger than 6 years than in non-expansion states.ⁱ Research also shows that when parents are insured kids are more likely to be insured.ⁱⁱ Alarming, Idaho currently has the second largest decline in insured kids on CHIP/Medicaid in the country; possibly due to issues with its administrative systems.ⁱⁱⁱ We are deeply concerned that the proposed work requirement policy will harm low-income Idahoans and exacerbate the decline in kids' coverage.



Covering parents in the coverage gap, without creating more obstacles to their care, will prevent further coverage losses for children in Idaho and result in a healthier, more productive work force, while saving the state \$31.2 million in uncompensated care costs and savings to other state programs.^{iv}

Idahoans overwhelmingly support unmodified Medicaid expansion

Medicaid expansion was on the docket for years in the Idaho Legislature, but repeatedly stalled in the face of legislative inaction. Idaho voters took up the issue at the ballot in November 2018 and passed Medicaid expansion, without barriers to coverage by 61% of the vote—a decisive message from the people of Idaho that Idahoans want to fully close the health coverage gap.

On the other hand, widespread public opposition exists to work requirements, as demonstrated by public hearings at the legislature and during the state’s comment period on this application. Polling conducted on work requirements this year shows overwhelming disapproval of the restrictions when Idahoans understand the policy would result in large numbers of people losing coverage (polling data is attached to these comments). Over 50 organizations statewide expressed opposition to adding work requirements to Medicaid expansion during the 2019 legislative session (the 50-organization sign on letter is attached to these comments).

Work requirements will result in severe coverage losses

In its application, the state estimates that over 16,000 Idahoans could lose coverage with a work requirement. This figure represents 18% of the 91,000 Idahoans (including 62,000 below 100% FPL and 18,000 between 100-138% FPL currently on Idaho’s exchange) the state concedes in its application could go without health care if the policy is approved.^v Sixteen thousand people is too many to lose health coverage, but we believe the coverage losses in Idaho could be significantly higher than the state’s projections because:

- 1) The state’s estimate of 91,000 Idahoans ignores 10,000 more Idahoans with incomes 100-138% FPL who are not currently on the exchange. It is possible that the presence of a coverage option with no monthly premiums provided by expanded Medicaid, could encourage these Idahoans to enroll in the program this January. If they do, the work requirement may cause another 2,000 Idahoans (18,000 total) to lose coverage based on the state’s assumptions.
- 2) In Arkansas, the only state to attempt to implement a work requirement, 23% of those subject to the requirement lost coverage. If Idaho’s policy has a similar effect, between at least 20,000 and 23,000 Idahoans could lose coverage under the policy.^{vi}
- 3) Idaho would be the first state in the country to implement a “one-strike you’re out policy.” In Arkansas, you could unsuccessfully report work for 3-months before losing coverage. This means that Idaho’s coverage losses could plausibly be greater than those experienced in Arkansas.



- 4) Idaho would be the only state conditioning eligibility for the program on work status at the time of application. This harsh and unprecedented condition of eligibility does not promote the objectives of Medicaid. The fact is, many people become Medicaid eligible *because* they have lost a job. This policy would create extra hurdles to enroll that might prevent them from the services they may need to help them find new work. Without a grace period for those applying for Medicaid, churn will be increased by a challenging reapplication process resulting in an unnecessary and administratively burdensome upheaval in enrollment, further coverage losses, and additional administrative costs.

Further, work requirements are likely to negatively impact those required to work, volunteer or be in school as well as those who meet the requirement or are listed as exempt. Just a month before New Hampshire’s work requirement was ruled illegal in federal court, the state halted implementation when it estimated its outreach efforts had failed and 17,000 residents were set to lose coverage in the first month of the program because they remained unaware of the requirements.^{vii} This outreach cost the state \$130,000. This means that even Idahoans who already meet this new restrictive eligibility threshold, or qualify as exempt, may not know they need to report their hours or file for exemptions and risk losing coverage.

The potential for massive coverage losses as a result of the proposed policy run counter to the fundamental tenet of the Medicaid program. Judge Boasberg, who has now ruled the approval of three similar programs in other states illegal, has said that, “the core objective of Medicaid is to furnish health-care coverage to the needy.” The state ignores this fact and instead concedes thousands of Idahoans will lose coverage under the policy. If approved as proposed, this program will likely result in further litigation in federal courts on this issue.

Work requirements do not result in increases in employment

Idaho should advance policies that help all Idahoans find and keep gainful employment. Contrary to the claims made in Idaho’s application, work requirements run counter to this goal – and in fact could result in fewer people working – not more.

Idaho’s proposal does nothing to address the barriers people face to getting and keeping work – barriers like transportation, job training, or lack of work in rural areas. The proposal instead establishes new red tape obstacles that Idahoans will have to jump over to get the health insurance they need.

None of the studies cited by the state support its claim that work requirements will result in better health or that, more importantly, removing someone from health care for not reporting work hours results in employment. One literature review cited directly in Idaho’s application mostly draws from studies of the United Kingdom, where there is universal health coverage. There is no evidence that implementing a work requirement on a population that has already gone without health coverage for years will result in better health outcomes or higher rates of employment.^{viii}



In fact the opposite is likely true – healthier people are more likely to be able to work. A recent Kaiser report provides clear evidence that work requirements could result in poor health outcomes and that expanding Medicaid without work requirements could lead to better health and greater rates of employment.^{ix} After conducting a systematic review of relevant literature the Kaiser study concludes: “Loss of Medicaid coverage under work requirements could negatively impact health care access and outcomes, as well as exacerbate health disparities.” In fact, as the Kaiser report explains, “. . . In an analysis of Medicaid expansion in Ohio, most expansion enrollees who were unemployed but looking for work reported that Medicaid enrollment made it easier to seek employment, and over half of employed expansion enrollees reported that Medicaid enrollment made it easier to continue working.”

Work requirements result in counterproductive barriers to coverage

Data shows that a majority of Medicaid enrollees are already working nationwide, with nearly 80% of adult Medicaid enrollees that don’t have SSI benefits living in families with at least one worker and nearly 60% work themselves.^x Yet research indicates that Medicaid beneficiaries experience irregular work hours and don’t have consistent hours from month-to-month. This indicates that Medicaid beneficiaries might not be able to meet requirements every month.^{xi} This is due to the fact that people living in the income range of those that qualify for Medicaid expansion work in sectors that experience very high rates of part-time employment (such as retail, leisure and hospitality industries). These workers seek full-time hours but are only offered part-time work. As a result, hours vary month to month; sometimes their hours will exceed the requirement and some months they won’t be given enough hours even though they are working.^{xii}

The realities faced by working within the income range of those newly eligible for Medicaid expansion means that work requirements are not well-suited as a method to incentivize work because the issues related to underemployment and lower wages are not within the control of the enrollees. In fact, the policy will result in working Idahoans losing coverage, which could lead to persistent illness and the inability to work as a result of living with untreated conditions and without access to needed medication. Additionally, since Idaho’s work requirement stretches to Idahoans up to age 59, older Idahoans will see a disproportionate negative impact of the program since jobs available to older adults in this income range are low-wage jobs.^{xiii}

Work requirements are expensive to administer and don’t result in increased rates of insurance

Information from other states that have analyzed the administrative costs of work requirements indicate those costs are exorbitant. Administrative costs include changes to eligibility systems to send notices and increases in staff to track compliance, answer questions, and run appeals processes. Tennessee estimated additional administrative costs at \$34 million annually. In Michigan administrative costs were estimated to be between \$15-30 million. In Pennsylvania, total costs for implementation of work requirements were estimated at \$600 million, including



the hiring of 300 additional staff. In Virginia costs were estimated to be \$5 million, just for system's changes.^{xiv}

These administrative costs come at no measurable benefit to the state in terms of increased employment. Data from Arkansas' work requirement shows that the policy did not result in an increase in employment for the impacted population. In fact, the number of individuals working more than 20 hours a week declined.^{xv} With no evidence to suggest that work requirements will likely increase work force participation among the impacted population, and in the face of overwhelming evidence that work requirements erect costly barriers to coverage that negatively impact people's ability to stay healthy and work, Idaho's application should be rejected.

Work Requirements for Medicaid will disproportionately harm rural Idahoans

In some rural counties in Idaho, the number of residents in the coverage gap is as high as 12.2%.^{xvi} Adding work requirements to Idaho's Medicaid expansion population would be incredibly harmful to rural, working Idahoans who face additional hurdles to full-time and consistent employment in Idaho's labor market.^{xvii xviii xix xx xxi} Rural Idaho has fewer full-time, year-round jobs than the state average.^{xxii} For example, the share of jobs that are full-time in Ada County is 25% higher than in Bonner County.^{xxiii} Idaho farmers and ranchers that may now be eligible for coverage under Medicaid expansion face unstable work conditions through no fault of their own, like price fluctuations, changing tariffs, and weather conditions that impact farm output.^{xxiv xxv}

In addition to issues with access to steady employment in rural Idaho, research from other states indicates that rural Idahoans likely have caregiving responsibilities, undiagnosed intellectual disabilities, and other limitations that may make meeting an hourly reporting requirement or successfully receiving an exemption difficult.^{xxvi} Access to steady employment that would allow these Idahoans to meet the work requirement on a monthly basis is hindered by the fact that across the state, 22% of Idaho households do not have internet at home.^{xxvii} This lack of access to internet also makes learning about the work requirement restriction and reporting work hours every month more burdensome and complicated for rural Idahoans. Additionally, rural Idahoans are disproportionately disadvantaged in their efforts to access employment resources, as Idaho has just four employment and training sites across the 83,569 square mile state.^{xxviii,xxix}

Specific concerns with Idaho's application

Goals of the application are fundamentally flawed

One of the hypotheses in the application is that the goal of the proposed work requirement program is to reduce the Medicaid expansion population (p.8). This is a profoundly disturbing assertion. The goal of Medicaid expansion is to provide health coverage and the people of Idaho made Medicaid expansion law. The purpose of Medicaid is to provide health coverage to low-income people—the application blatantly disregards this fundamental purpose and explicitly reveals a desire to remove people from health coverage.



In terms of the specific goals stated on pages 7-8 of the application, we share the following concerns:

- Creating a burdensome, monthly reporting requirement is an impediment and obstacle to accessing high-quality health coverage, not a way to “improve access to high-quality, person-centered services.”
- Developing a paperwork regime, with time-consuming and costly monthly reporting that will result in unpredictable churn in the program is not a way to “promote efficiencies in the program,” as the application states. The evaluation process set-up in Section 2.2 of the application sounds decidedly inefficient and like a drain of already stretched IDHW resources.
- Erecting barriers to coverage and complicated administrative hurdles to access health care is not a strategy for “promoting upward mobility or independence.” As we explain above, there is little to no research indicating that threatening to remove someone from health coverage helps them work or be healthy. Instead, all evidence suggests that health coverage is essential to a healthy work force. Health coverage and access to treatment and prevention of health conditions is the single most important thing that can be done to ensure someone can work and have upward mobility.
- A work requirement is not an effective “incentive structure” that promotes the use of health care. Low income Idahoans already have plenty of incentive to work. The main problem with instituting work requirements in Medicaid is that low-income, working Idahoans lead busy, stressful lives, where they currently have to choose between rent and food and medicine. Their work schedules and wages are often largely out of their control. Adding unneeded paperwork to their lives to prove they should be able to access something as important and essential as health coverage does not lead to improved decision making; it leads to more stress, confusion and often worsening health if access to treatment or important medicines are lost due to paperwork issues.

Implementation and outreach efforts not well described

The application explains that IDHW will, “design various options for reporting monthly hours,” but lacks any specificity about what these options would be or how they would operate. What are the entry points for those required to report hours or prove an exemption? How will they be noticed of this requirement? The application describes a monthly verification process through “interfaces” online or through other methods where enrollees will have to provide “proof” of employment? What are the specific ways people will be able to report their hours? How and when will “verbal verifications with employers and educational institutions” take place? This section underscores the onerous process enrollees will have to go through and the difficulty IDHW will face in administering this program. It also highlights that the state has provided too little detail to comment meaningfully on the state’s notice and reporting process.



Idaho's current self-reliance program already has regular issues with adequately communicating requirements to enrollees, as recently demonstrated during an unexpected re-evaluation process for children on Katie Beckett Medicaid (see stories of Idaho families that lost coverage for children with disabilities as a result of these issues in the attachments). Families were told their notices were mailed but they never received them. Many times staff weren't properly communicating with beneficiaries about their eligibility. We fear these same issues will be repeated in the administration of a work requirement program, but with much more sweeping impacts to coverage given the size of the impacted population.

Idaho is a big, rural state and Idaho's application only explains *what* it will tell Idahoans about the work requirement; it does not explain *how* it will effectively do so. In Judge Boasberg's decision to reject CMS's Arkansas work requirement approval, he cited a gentleman who was in fact working, but not aware of the requirement. He only discovered he had lost his health coverage when he went to pick-up his prescription for medication that controlled his chronic illness. Without that medication, he then got sick and lost his job. This same widespread level of confusion and failed outreach has been well documented in New Hampshire as well as in other kinds of Medicaid program elements in Indiana and Michigan.^{xxx} These same kinds of issues are likely to be repeated in Idaho if this policy is approved.

Idaho's program will result in a complicated re-enrollment process

Idaho's application describes a situation where an applicant for Medicaid expansion must be currently compliant (already working) to begin coverage. Compliance then must be maintained and demonstrated through monthly reporting, unlike the programs in Indiana and Arkansas. The state says failure to comply will result in a two-month lockout, although someone could reenroll if they demonstrate compliance earlier. This is non-sensical and confusing. It appears that anyone terminated has to reapply, and in order to reenroll has to show current compliance. Effectively, then, this condition leads to indefinite lockouts for Idahoans who have not first demonstrated compliance. Under this model, someone who depends on medical services (like a medication) to support them to work may face extreme difficulties returning to Medicaid. The state acknowledges this will increase churn in appendix 1 of the application: "Actual enrollment in Medicaid will likely vary and fluctuate over the course of this waiver for a variety of reasons..." This will inevitably lead to additional coverage losses and administrative costs.

Problems with evaluation and research design

The required evaluation and research design description is both vague and unrealistic. If the work requirement program were to be implemented within six months of approval, how would IDHW get the baseline data they need to assess whether work force participation is improved? What comparisons would be utilized and is the state equipped to conduct such a study? The application doesn't include any data suggesting how the state will obtain baseline information on a straight Medicaid expansion prior to implementing the work requirement. Without this data, there is no way to isolate the effects of the work requirement from the effects of expanded Medicaid.



The state purports to be able to track improvements in work force participation rates and family incomes, but they explicitly state they will only track people who lose eligibility due to reaching a higher income level. How then will they collect data from people who lose eligibility for not meeting the work requirement? The state’s research design does not clearly show how Idaho would get an accurate baseline to separate the job-finding that occurs as part of Medicaid churn (without a work requirement) from the job-seeking behaviour with a work requirement).

There is a huge difference between people who lose coverage because they find steady, higher-wage employment, and people who lose coverage because of a poorly designed, punitive work requirement that mismatches with the typical jobs available to them. This evaluation design appears to lump both groups under the same goal. Moreover, there is nothing new about Idahoans finding higher wage work and leaving Medicaid. This is normal and requires no new condition of eligibility.

Therefore, instead of demonstrating a rigorous and significant approach to evaluating the program, this section of the application is laden with what sounds like an administratively complex and inefficient evaluation plan to measure data in ways that may exceed the capacity of IDHW and its data systems and not result in any meaningful experimental data. The state appears only interested in looking at people who stay in the Medicaid program, as opposed to looking at the health of all people subject to the work requirement, which would include people who get terminated due to non-compliance. This is a fundamentally flawed evaluation approach and shows that this is not meant as a true experiment.

Further, as mentioned above, we are learning about data systems limitations with Idaho’s renewal process for kids with disabilities on Medicaid. Will adding the additional burden of conducting a flawed and time-consuming research experiment further stress an already overtaxed administrative system and thus potentially impact the accuracy and operations of the entire Medicaid program?

Questions about the exemptions criteria

While the application specifies that a person who is the “primary caregiver” of a child is exempt from the work requirement, it doesn’t define “primary caregiver.” This begs the question: is only one parent in a two-parent household exempt? Won’t this make it impossible to share child-care duties among two parents who might both work part time? Further how would this distinction be administered? Would this create confusion for two-parent households about how to comply with the requirement? For example, if a father stays home with the children and the mother works 40 hours a week, he would have to file an exemption and she would have to report her work hours. This demonstrates how paperwork and reporting deadlines would easily add stress and confusion for Idaho’s working families.

The application also specifies that a “parent or caretaker personally providing care for a person with serious medical conditions or with a disability” is exempt. But what is the definition of a



“caretaker”? How do you prove that you are the caretaker? What documentation is required? What if you are caring for your elderly parents but they don’t live with you?

While the state maintains that Idahoans with disabilities are exempted under the program, this policy will still require Idahoans with disabilities, who may not currently qualify for Medicaid, to file for an exemption. This adds another unnecessary and problematic hurdle to accessing health coverage for an already vulnerable section of the Medicaid expansion population. Studies of Medicaid beneficiaries subject to eligibility restrictions indicate that disability exclusions miss a lot of people, and those people often have greater barriers to work, while the state is not boosting resources to reduce those barriers.^{xxx1}

Further, the application uses a designation of “physically unable to work...” as an additional category of people with disabilities. But this category is vague and unhelpful. Some Idahoans with disabilities are able to work for periods of time and unable to work at other periods of time. This implies that people in this category may cycle in and out of the exemption, are at greater risk of losing coverage in this process of churn, and may have more challenges to reenroll due to the burdensome compliance requirements. Further, this category could serve as a disincentive to work, if people who are sometimes able to work and sometimes not able to work realize that as a condition of working, they may be subject to onerous monthly reporting requirements. They may then be forced to choose a permanent exemption instead of working when they can.

For people with substance use disorders and/or mental illness understanding notices about work requirements and exemptions and successfully navigating the reporting and exemption process will be particularly challenging.^{xxxii} This negative impact runs counter to the application’s stated goal of increasing access to treatment for substance use disorders and demonstrates the contradictory effects of instituting work requirements in the Medicaid program.

Finally, the application gives no indication of how often someone will need to prove an exemption, or what that process will entail. This added paperwork process and likely confusion over the policy and how to comply will undoubtedly lead to Idaho families unnecessarily losing health coverage.

Issues with public hearings

Idaho held two public hearings on this application, but the hearings were not in “geographically distinct locations” as required under federal law. The hearings literally took place across the street from one another in Boise, Idaho. Both hearings were conducted during the same week and at the same time of day. While a call-in line was provided, IDHW staff incorrectly informed those on the line about how to unmute themselves during the first hearing. Further, a call-line is no substitute for an in-person hearing in a different location in Idaho. We expected hearings to be held that would allow public access for those in northern Idaho and mid-to-southeastern Idaho. The first hearing was held the day after Labor Day, which also hindered outreach efforts. All in all, the state’s public comment period was ran in such a way that it made it difficult for Idahoans from across the state to attend and share input at the hearings.



Conclusion

It's important that Idaho parents have good health, steady employment, and financial stability that helps them take care of their children. We support measures that have been proven to help people work their way up the economic ladder, such as educational opportunities, training, affordable homes, and health coverage for the entire family. We all want Idahoans to be able to secure and maintain employment. Complicated, high-stakes, and poorly designed work requirements will not help people work, but they will succeed in taking health coverage away. They do not promote the clear objectives of the Medicaid program, have no valid experimental design or value, and thus should be rejected.

Sincerely,

A handwritten signature in blue ink that reads "Liz Woodruff".

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September 20, 2019

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To Whom It May Concern:

Thank you for the opportunity to comment on Idaho's 1115 "Medicaid Reform Waiver," which would impose work reporting requirements on Idaho's voter approved Medicaid expansion. This comment is being submitted on behalf of Close the Gap Idaho, a network of over 5,000 organizations and individuals statewide, which has worked since 2014 to support a complete solution to the coverage gap and to preserve health coverage for Idahoans. Close the Gap was heavily involved in the effort to pass Medicaid expansion in the November 2018 elections, and subsequently has worked to prevent any restrictions to Medicaid that would threaten coverage for eligible Idahoans. From the hospitals to physicians, clinics to behavioral health advocates and those fighting to protect Idahoans from heart disease, cancer and lung disease, Close the Gap Idaho represents a broad range of health care interests in Idaho. We are opposed to the waiver request for several reasons.

Significant coverage losses

First, we are concerned about the potential for health coverage losses amongst Idaho's Medicaid expansion population if this plan goes forward. Idaho's application itself concedes that more than 16,000 people could lose coverage. In Arkansas, the only state to implement work requirements to date, [23 percent of the expansion population](#), or 18,000 people, lost coverage before the court ordered it to stop.

In New Hampshire, before the policy was deemed illegal, the state acknowledged that nearly [80% of those who were subject to the requirement would lose coverage within the first month](#) of its implementation. This is indicative of the inability of any state government to effectively and competently administer a work requirement, and there is no evidence to suggest anything other than a bureaucratic disaster for Idaho.

The lack of clarity and confusion involved in the reporting process will have devastating consequences in Idaho. If we were to experience the same 23 percent coverage loss ratio seen in Arkansas in Idaho that means nearly 21,000 Idahoans could lose health coverage.

Not only do we think this coverage loss estimate more accurately depicts what would occur in Idaho, we also think the state has underestimated the impact of reporting on those that would qualify for exemptions and those that are presumed to be meeting the requirement. If both of those groups don't successfully navigate the reporting process, additional coverage losses are likely, even if the person should be exempt or is meeting the hourly requirement.

Moreover, unlike Arkansas, Idaho would impose a "one-strike you're out policy," whereas in Arkansas an enrollee could be out of compliance for 3-months. This is another reason why coverage losses in Idaho could far exceed what was experienced in Arkansas and demonstrates why Idaho's application does not adequately represent the impact to health coverage that could occur here if this policy is implemented.

The only unique aspect about Idaho's work requirement is that it is more punitive than those before it; nothing makes it more compassionate, or easier to implement, and the proposal clearly violates the central tenet of Medicaid—to furnish health coverage for low-income Americans.

Negative impacts for rural Idahoans

Idaho faces the same problems presented by Arkansas: a large rural state with a dispersed population, many lacking access to internet or mobile phones, and many living large distances from areas where they could physically turn their paperwork in every month. Rural Idahoans already struggle to find work in communities that simply don't have enough job opportunities. Will taking away their Medicaid somehow make this job search easier? The state didn't propose any additional funding or resources to assist in training, work force development, or work supports, and experts agree that the current infrastructure will not be able to sustain the increased burden this policy will place on it.

Will result in a secondary health coverage gap

Idaho voters chose to overwhelmingly pass Medicaid expansion to close Idaho's health coverage gap. If implemented, work reporting requirements would result in a secondary gap, where more than one-third of the Idahoans living in the coverage gap today could still go without coverage. This is not what Idahoans voted for. At multiple hearings during the legislative session, lawmakers heard unanimous testimony from their constituents opposed to this health care restriction. They chose to ignore this testimony, and because of that we could see the benefits of Medicaid expansion unraveled and another health coverage gap opened.

A secondary gap means increases in uninsured patients visiting the emergency room, increased claims on the CAT and indigent funds, and increases in health care costs passed down to everyone. This is everything that Idaho lawmakers claim to oppose: inefficient spending, red tape and bureaucracy; making it harder for the average working Idahoan to make ends meet. When presented with a non-punitive work promotion program during the

legislative session that has verifiable positive results, lawmakers still chose to continue down this path, one in which the results are already clear.

Work requirements do not lead to increases in employment

There is no evidence that the goal of increasing rates of employment for those in the Medicaid expansion population, purported in this application, will be met by implementing a work requirement. A [Harvard study](#)¹ published this June found that the work requirement restriction in Arkansas had *no effect on hours worked* and did not increase rates of employment. In fact, of the 18,000 who lost coverage in Arkansas less than 1 percent reported new work. It's easy to see that making people jump through hoops to get their health care hurts everyone involved, from state agencies using tax dollars to fund a policy that's proven not to work, to those ending up in the emergency room because they missed a month of paperwork.

Work requirements exacerbate poor health outcomes

While we all want Idahoans to work and earn a sustainable living, work requirements do not help achieve this goal. Idahoans work in jobs that are seasonal, have fluctuating hours and may not always control the hours they work each week. A lapse in coverage means missed visits with specialists, not being able to cover prescriptions, and chronic conditions becoming worse. Anyone that relies on those crucial supports for their day to day life can tell you that not only would losing them make it more difficult for them to work, it would make it more difficult for them to survive.

Conclusion

Idaho's proposal is harsher than those already struck down in Arkansas, Kentucky, and New Hampshire. The proposed policy punishes working Idahoans for conditions outside of their control and creates a bureaucratic system that is costly and inefficient. In Kentucky, the program was estimated to [cost over \\$187 million to administer](#). We haven't yet been able to see an accurate estimate of the cost to Idaho taxpayers, which likely still wouldn't reflect the full impact of the damage given additional expenditures to the CAT and indigent funds.

Idaho is a state that prides itself on innovation and compassion. A top down bureaucratic approach that will hurt our neighbors and friends is neither of those. Idaho voters already chose the Idaho way: a clean Medicaid expansion to close the coverage gap once and for all. This restriction on access to health care will only result in more Idahoans in the emergency room, more Idahoans without health insurance, and more Idaho tax dollars spent on a policy that everyone knows doesn't produce results. We ask that this proposal be rejected,

¹ "Medicaid Work Requirements — Results from the First Year in Arkansas". Benjamin Sommers, The New England Journal of Medicine. June 2019.

and that Idaho continue unimpeded on the bipartisan voter approved path to expand Medicaid without costly and harmful restrictions.

Sincerely,

Close the Gap Idaho

A list of Close the Gap Idaho steering committee members can be found on the [Close the Gap Idaho website](#).



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September 17, 2019

Mr. Matt Wimmer
Administrator
State of Idaho, Department of Health and Welfare
450 West State Street PTC Building, 10th Floor
Boise, ID 83705

Dear Mr. Wimmer:

United Way of Treasure Valley appreciates the opportunity to submit comments on Idaho's Medicaid Reform Waiver Section 1115 Medicaid Waiver Demonstration Project Application.

United Way of Treasure Valley serves more than 300,000 low income families and individuals annually in 11 counties in Southern Idaho. Our purpose is to unite the best possible resources to change the odds for children and families in the area. We regularly collect information, data and input from and about those we serve so that we can best understand and lead success through weaving together strong and valuable programs providing health, education and financial stability for those in need.

For more than a decade, our data has been clear – access to health insurance is a powerful life tool that measurably changes the odds of moving to stability for all people, but most especially for low income individuals. You may find our data at www.unitedwaytv.org.

Our organization has closely followed the proposals for waivers, especially the current 1115 demonstration proposal.

Unfortunately, this waiver proposal to add a work reporting requirement to Medicaid Health Insurance expansion will jeopardize the patients' access to quality and affordable health care. Specifically, United Way of Treasure Valley therefore offers the following comments on Idaho's proposal.

Work Reporting Requirements

Idaho would be first - As proposed, 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. This sets up a significant challenge for the State of Idaho as changing the eligibility for Medicaid is solely the purview of Congress and cannot be waived. United Way supports whole Medicaid Health Insurance expansion without a legal path which involves significant time and complexity required by our proposal.

More will lose coverage than estimated - Increasing administrative requirements will likely decrease the number of individuals with Medicaid coverage, regardless of whether they are exempt or not. For



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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. 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 in the first year of the waiver alone. This is approximately 18 percent of the Medicaid expansion population; based on the experience of Arkansas which saw a 23 percent disenrollment, it would be expected that the 16,300 individuals is an underestimate.

Additionally because we work closely with and collect information and opinion from individuals who would likely qualify for coverage under whole Medicaid Health Insurance, we are concerned that the current exemption criteria may not capture all individuals with, or at risk of, serious and chronic health conditions that prevent them from working. 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. No exemption criteria can circumvent these problems and the serious risk to the health of the people we represent.

Administrative burden sets up disenrollment - Per 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 exemptions. One major consequence of this proposal will be to increase the administrative burden on individuals in the Medicaid program. 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 20 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.

In our experience, we find that lack of knowledge or understanding of administrative requirements of a social service program is the number one barrier to participation. Lack of access, transportation and language barriers run in the top five barriers as well. While it may seem obvious that 'everyone should know;' our data consistently demonstrates this is an incorrect assumption.

High cost for work requirement administration - Administering these requirements will also be expensive for the state of Idaho. Through our network, United Way is able to communicate with our peers in States such as Kentucky, Tennessee and Virginia. These states estimate the administrative systems to track and verify exemptions and work activities will cost tens of millions of dollars. Idaho should not divert federal resources from Medicaid's core goal – providing health coverage to those without access to care – and compromise the fiscal health of Idaho's Medicaid program.



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Idaho low-income children are already at risk, work requirements may make it worse - As of April 2019, Idaho has the second highest percentage disenrollment of kids from Medicaid or CHIP (10.1 percent or 22,000 kids). The state should focus on stemming that decline rather than making the situation worse for families by establishing work requirements.

Work requirements do not align with the goal of the Medicaid program - Ultimately, these requirements do not further the goals of the Medicaid program or help low-income individuals improve their circumstances without needlessly compromising their access to care. Most people on Medicaid who can work already do so. We know this is true in Idaho. And those who do not work or meet the other activities required under this demonstration are some of our most vulnerable Idahoans.

The core objective of the Medicaid program is to furnish healthcare to low-income and needy populations. This waiver does not further that goal and should not be approved. Thank you for the opportunity to submit comments.

Sincerely,

Nora J. Carpenter
President & CEO
United Way of Treasure Valley

cc: Ms. Cindy Brock, Division of Medicaid Department of Health & Welfare
Mr. Dave Jeppesen, Director, Idaho Department of Health & Welfare



September 19, 2019

Dave Jeppesen
Medicaid Director
Division of Medicaid, Department of Health and Welfare
P.O. Box 83720; Boise, Idaho 83720-0009

Dear Director Jeppesen,

The Leukemia & Lymphoma Society (LLS) thanks you for the opportunity to submit comments on the draft Idaho Medicaid Reform Waiver, Section 1115 Medicaid Waiver Demonstration Project Application.

However, we must express serious concerns. If approved, this waiver would make Medicaid coverage contingent on employment for the 62,000 low-income Idahoans newly eligible this year for Medicaid coverage. Recognizing that such requirements will create barriers to care, we urge you to not advance this waiver.

At LLS, our mission is to cure leukemia, lymphoma, Hodgkin's disease and myeloma, and improve the quality of life of patients and their families. We support that mission by ensuring that blood cancer patients have sustainable access to quality, affordable, coordinated healthcare. We appreciate your consideration of stakeholder input from patient organizations like LLS, as we strive to support Idahoans who rely on quality healthcare to live fruitful lives in their communities.

As the nation's public health insurance program for low-income children, adults, seniors, and people with disabilities, Medicaid covers 1 in 5 Americans.ⁱ Many of them have complex and costly health care needs, making Medicaid a critical access point for disease management and care for many of the sickest people in our nation. Thus, expanding access to Medicaid – as more than 60% of Idaho voters elected to do last fall – is of critical importance to ensuring access to coverage. Expansion is also beneficial to state economies and has been associated with a reduced risk of hospital closures, especially in rural areas.ⁱⁱ

While LLS strongly supported last year's effort to expand Medicaid in Idaho, LLS is opposed to creating additional barriers to access for Idahoans in the expansion population.

LLS opposes so-called "work requirements" because they are likely to trigger significant reductions in the number of low-income patients who are able to access Medicaid coverage. Consider Arkansas, where such requirements have been implemented through a program called Arkansas Works. Arkansas Works requires Medicaid enrollees either to report their hours worked or to secure an exemption from having to comply with the program's requirements. During the initial six months of implementation, Arkansas terminated Medicaid coverage for over 18,000 individuals who purportedly did not meet the program requirements, however research demonstrated that the overwhelming majority of those who lost coverage were working and simply failed to meet reporting requirementsⁱⁱⁱ and thus were eligible to continue enrollment in Medicaid.^{iv} In April of 2019, Judge James E. Boasberg of the Federal District Court for the District of Columbia ruled that the Arkansas work requirements program was unlawful on the grounds that it failed to provide medical assistance to its citizens, a "central objective of Medicaid".^v

In Idaho, it's estimated that approximately 16,300 people will lose coverage as a result of this waiver. That is over one third of all the Idahoans who are newly eligible for Medicaid in the gap population. Furthermore, it is critical to note that Idaho's disenrollment policy is even more stringent than the Arkansas policy. In Arkansas, beneficiaries had a 3-month period to comply with the work requirements provision, while in Idaho, recipients would only have 1 month.

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Exemptions do not provide adequate protection to intended populations.

The loss of coverage is a grave prospect for anyone, in particular a patient living with a serious disease or condition. For example, people in the midst of cancer treatment rely on regular visits with healthcare providers, and many of those patients must adhere to frequent, if not daily, medication protocols. While this waiver includes exemptions for those “physically or intellectually unable to work” it is unclear how those exemptions will be tracked. In some cases, the administrative burden of proving an exemption can result in a loss of coverage. For example, in the Temporary Assistance for Needy Families (TANF) program, many people who were working or should have qualified for exemptions from work requirements lost benefits because they did not complete required paperwork or were unable to document their eligibility for exemptions.^{vi}

Terminating coverage as a penalty for not complying with reporting requirements will reduce access to care and disrupt the continuity of care.

This waiver proposes to implement a two-month lockout period for those who don't comply with the work reporting requirements. Abrupt disenrollment can disrupt the continuity of care for those who are being actively treated for a chronic or life-threatening disease, putting both their physical and financial health at risk. Studies show that disenrollment makes it more likely that someone will not fill a prescription and also likely increases the utilization of emergency departments.^{vii} Studies also show that in states where Medicaid agencies disenrolled Medicaid beneficiaries, those disenrolled experienced higher rates of bad credit scores, delinquent debt, and bankruptcy risk.^{viii}

LLS strongly supports Medicaid expansion and supports implementation as the voters intended.

Importantly, constituents share that view: 74% of Idahoans voters expressed that the legislature should implement the law as it was passed, without work requirements.^{ix} We urge you to respect the will of the voters by facilitating the implementation of expansion, free from the constraints outlined in this waiver. Doing so will bring great benefit to the Idahoans who rely on Medicaid as their only source of affordable, meaningful coverage.

Sincerely,

Thea Zajac, MSW
Regional Director, Government Affairs
thea.zajac@lls.org

ⁱ Rachel Garfield, Robin Rudowitz, and Anthony Damico, “Understanding the Intersection of Medicaid and Work,” Kaiser Family Foundation, January 2018, <https://www.kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>

ⁱⁱ Richard Lindrooth, Marcelo Perrillon, Rose Hardy, and Gregory Tung, “Understanding the Relationship Between Medicaid Expansions and Hospital Closures,” *Health Affairs* 27, no. 1 (January 2018): pp. 111-120. Available at <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2017.0976>.

ⁱⁱⁱ Benjamin D Sommers et al, “Medicaid Work Requirements – Results from the First Year in Arkansas,” *NEJM*, June 19, 2019. Available at: <https://www.nejm.org/doi/full/10.1056/NEJMsr1901772>.

^{iv} Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, “A Look at November State Data for Medicaid Work Requirements in Arkansas,” Kaiser Family Foundation, December 18, 2018, <https://www.kff.org/medicaid/issue-brief/a-look-at-november-state-data-for-medicaid-work-requirements-in-arkansas/>

^v Goodnough, Abby. (March 27, 2019). Judge Blocks Medicaid Work Requirements in Arkansas and Kentucky. *The New York Times*. Retrieved from: <https://www.nytimes.com/2019/03/27/health/medicaid-work-requirement.html>

^{vi} Solomon, Judith. Kentucky Waiver Will Harm Medicaid Beneficiaries. (January 16, 2018). *Center on Budget and Policy Priorities*. Retrieved from: <https://www.cbpp.org/research/health/kentucky-waiver-will-harm-medicaid-beneficiaries>.

^{vii} Beeuwkes, M., Buntin, J.G., Viverette, N. State Medicaid Lessons for Federal Health Reform. (June 7, 2017). *Health Affairs*. Retrieved from: <https://www.healthaffairs.org/doi/10.1377/hblog20170607.060481/full/>

^{viii} Argys, L., et al. Losing Public Health Insurance: TennCare Disenrollment and Personal Financial Distress. (August 2017). *Federal Reserve Bank of Atlanta*. <https://www.frbatlanta.org/-/media/documents/research/publications/wp/2017/06-losing-public-health-insurance-2017-08-31.pdf>

^{ix} Close the Gap. (2019). GS Strategy Group, Feb 21-24, 2019. Retrieved from: <https://www.closesthegapidaho.org/wp-content/uploads/2019/02/CTG-Expansion-Poll-One-Pager.pdf>

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**CENTRO DE
COMUNIDAD Y
JUSTICIA**

Center for Community and Justice

Cindy Brock, Division of Medicaid
Department of Health and Welfare
P.O. Box 83720; Boise, Idaho 83720-0009
9/18/19

Thank you for the opportunity to comment on Idaho's Section 1115 Medicaid waiver proposal. In November 2018, 61% of Idahoans voted for a clean Medicaid expansion, which would provide health coverage to as many as 90,000 low-income Idahoans. During the 2019 legislative session, Centro de Comunidad y Justicia opposed any new restrictions or barriers to Medicaid coverage. We ask that you reject this application because it will harm Idahoans by causing thousands of fewer people to enroll in Medicaid coverage, while causing others to forego needed care.

Centro de Comunidad y Justicia is a community-based organization focused on improving the health, education, and economic status of Latinos, in southwest and south-central Idaho. The Latino families that we serve are proud Idahoans who deserve to have a bridge to quality health care coverage.

Work reporting requirements have been shown to create confusing bureaucratic hoops that are difficult for beneficiaries to navigate, which cause eligible people to lose coverage. The rules also unnecessarily grow government and waste taxpayer dollars. These requirements would create an expensive secondary coverage gap of uninsured Idahoans, threatening both Idaho's state budget and the livelihood of our communities. Without health coverage through Medicaid, many Idahoans will not have the health care they need to stay healthy so they can work and contribute to our community.

In Arkansas - the only state to implement a policy similar to what Idaho proposes - more than 18,000 people lost their Medicaid coverage due to the new rules. Of those who lost coverage in 2018, 89 percent *still* remain uninsured in 2019.

The state's draft application indicates that approximately 18%, or 16,000 of the 91,000 Idahoans they expect to enroll in expanded Medicaid could lose coverage. ***Using the coverage loss percentage of 23% that Arkansas experienced, however, means that closer to 21,000 people could have their health coverage taken away.*** The real number of Idahoans who lose coverage will likely be even higher because Idaho's policy is considerably harsher than Arkansas --with enrollees losing coverage after just one month of missing paperwork deadlines. In

contrast, Arkansas had a “three strikes you’re out” policy – only terminating coverage after three months of noncompliance, and they still experienced devastating coverage losses.

[A recent study](#) found that in Arkansas, there was a 38 percent increase in the uninsured rate among people in the age range subject to the work requirement. Increasing the number of uninsured in Idaho would increase uncompensated care costs for hospitals and result in higher insurance premiums for all Idahoans. These costs will be passed on to taxpayers as well through Idaho’s indigent care program. Everyone involved, from Idahoans to the state and federal governments, will be paying more for health care if this waiver is approved. This includes the families we see every day that are very worried and confused. They fear, they could lose their current Medicaid coverage, and will be forced to use the emergency room for care. When our fellow Idahoans are in the cycle of poverty it becomes a lot harder to get out when the cost of health care continues to rise.

Recently, a federal district court judge overturned the approval of work requirement waivers in Arkansas, Kentucky, and New Hampshire because the government didn’t adequately account for the harm the waivers would do to beneficiaries. There is nothing unique or different about Idaho’s approach to implementing work requirements that would avoid the large coverage losses experienced in Arkansas and predicted in Kentucky and New Hampshire. In fact, because Idaho’s application proposes to exclude Idahoans from coverage who are not working at the time of application from eligibility, coverage losses would likely occur at a higher rate here. Additionally, Idaho would likely face a costly legal challenge, further draining taxpayer dollars. These factors make health care further unattainable for the Latina/Latino population we serve, compounding and negatively affecting them on all levels. This forces our communities to undeservingly work harder and pay more than they already have to, while still worrying about the possibility of coverage loss.

Instead of helping Medicaid enrollees and their families, this waiver proposal would create widespread coverage losses and harm Idaho families. Idaho should focus instead on implementing Medicaid expansion as passed by voters by helping to ensure that the thousands of uninsured Idahoans who urgently need it gain coverage. We ask that you reject this application and instead allow Idaho to implement a clean Medicaid expansion.

Thank you for your consideration.



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September 19, 2019

Idaho Department of Health and Welfare
Dave Jeppesen, Director
c/o Division of Medicaid
P.O. Box 83720
Boise, Idaho 83720-0009
Attention: Cindy Brock

Dear Director Jeppesen:

On behalf of more than 186,000 AARP members in the state and all older Idahoans, AARP Idaho is writing to express our serious concerns with Idaho's Department of Health and Welfare Section 1115 Demonstration Waiver Application – the *Idaho Medicaid Reform Waiver*. AARP Idaho has been one of the many groups that worked tirelessly in 2019 to close the health care coverage gap for the nearly 91,000 low-income Idaho adults, including the thousands of Idahoans age 50-64, who would qualify under Medicaid expansion as set forth in the Affordable Care Act (ACA). Idaho voters clearly expressed their support for a straightforward Medicaid expansion with over 60 percent of voters approving Proposition 2 in November 2018. The major provisions of Senate bill 1204aa,aaH and the proposed demonstration waiver that implements those provisions are a serious step backwards from ensuring that all Idahoans receive the health insurance coverage they need and are inconsistent with the will of Idaho voters.

Work and Community Engagement Requirements

The work and community engagement requirements reflected in the *Idaho Medicaid Reform Waiver* are likely to worsen the health outcomes of the state's most vulnerable citizens, create significant financial hardship for many Idaho Medicaid beneficiaries in need of coverage, increase the state's administrative costs, and result in increased uncompensated care costs for Idaho's health providers.

The *Idaho Medicaid Reform Waiver* proposal would require certain individuals with income at or below 138 percent of the federal poverty level (FPL) to engage in work or community engagement requirements. Beneficiaries not working, participating in job training or volunteering at least 20 hours a week, or who are not enrolled in post-secondary education

AARP
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at least half-time will lose Medicaid benefits for a period of at least two months. In addition, beneficiaries will lose coverage for the same period if they are not coming in compliance with a Temporary Assistance for Needy Families (TANF) or a Supplemental Nutrition Assistance Program (SNAP) workforce program or are otherwise exempt from the requirements.

AARP Idaho believes that the waiver provision seeking to impose a work and community engagement requirement is inconsistent with federal law because it is not “likely to assist in promoting the objectives” of the Medicaid Act. 42 U.S.C. § 1315(a). Specifically, this provision is not likely to assist in promoting the objective of enabling the state of Idaho “to furnish medical assistance [to individuals and families] whose income and resources are insufficient to meet the costs of necessary medical services and rehabilitation and other services to help such families and individuals attain or retain capability for independence or self-care.” 42 U.S.C. § 1396- 1.¹

The work and community engagement requirements set forth in the proposed waiver would also present an unnecessary barrier to health coverage for a sector of Idaho’s population that is most in need of coverage. This includes the many individuals who have recurring periods of illness due to chronic and behavioral health conditions who may not be exempt from the work or job search/training requirements. Moreover, the recent court rulings in the *Stewart v. Azar*, *Gresham v. Azar*, and *Philbrick v. Azar* cases reaffirmed these concerns, stating that work requirements do not help to furnish medical coverage consistent with Medicaid program objectives.² In fact, more than 18,000 vulnerable individuals lost coverage in Arkansas when the state implemented its Medicaid work requirements before the federal court halted the program in that state.³

Despite our opposition to work and community engagement requirements, AARP Idaho welcomes the inclusion of a list of qualifying exemptions and good cause exemptions, including categories based on age, physical and mental ability, providing care to a person with a disability or serious medical condition, participating in substance abuse treatment and other categories. We believe that additional clarity is needed regarding how the exemptions will be defined and how they would be determined, in particular the exemptions of those “physically or intellectually unable to work” and those caring for someone with a “serious illness.” AARP Idaho would also like to see the caregiver exemptions broadened so that all Medicaid beneficiaries who are family caregivers – including all who are caring for adults or children, regardless of a disability designation – would qualify for an exemption.

¹ The decisions in *Gresham v. Azar* and *Stewart v. Azar* echo this inconsistency. See opinions available at https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2018cv1900-58 and https://ecf.dcd.uscourts.gov/cgi-bin/show_public_doc?2018cv0152-132.

² Ibid. See opinion in *Philbrick v. Azar* at <https://www.courtlistener.com/opinion/4643709/philbrick-v-azar-ii/>.

³ <https://www.kff.org/medicaid/issue-brief/state-data-for-medicaid-work-requirements-in-arkansas/>

With respect to the exemption based on age, AARP Idaho believes that the Department should expand the exemption. Currently the *Idaho Medicaid Reform Waiver* exempts persons “over the age of 59 years” from the work and community engagement requirements. We request that the Department lower the age to “over the age of 49.”

In general, research shows that older adults have significant difficulty re-entering the labor force after long periods of unemployment and are likely to face age discrimination in hiring practices. Idahoans are not exempt from these findings. The situation is likely even more difficult for people over 50 who live in rural communities. AARP Idaho is concerned that these Idahoans – who face significant barriers to employment that are not under their control – would lose their Medicaid coverage, leaving them more vulnerable to getting sick and developing long-term health problems. In addition, research shows that there is a strong association between unemployment and poor health outcomes, which makes coverage during periods of unemployment crucial.⁴

In the event the Department puts forward a version of the *Idaho Medicaid Reform Waiver* proposal that includes work and community engagement requirements as a condition of participation in Medicaid, it will be critical to maintain an individual’s due process rights and all existing Medicaid protections. Furthermore, we seek assurances that disputes will be fairly and expeditiously resolved; that individuals will continue to receive adequate notice of state agency actions and a meaningful opportunity to have unfavorable administrative decisions reviewed with reasonable promptness; that coverage of care will continue pending resolution of an appeal; and that Medicaid applicants and beneficiaries will retain their right to request a fair hearing on eligibility determinations and coverage issues, offers of proof, and to request a new assessment if their situation changes.

Suspension and lock-outs

AARP Idaho also has serious concerns with the proposal to suspend Medicaid eligibility for failure to comply with the work and community engagement requirements. As is the case with work and community engagement requirements, this policy runs contrary to the clear objectives of the Medicaid statute. According to the estimates in the *Idaho Medicaid Reform Waiver* proposal, the state projects that approximately four percent of the state’s Medicaid population would not comply with or meet an exemption to the requirements and would be subject to suspension.⁵ Any long-term lockout from Medicaid coverage would adversely affect the health of enrollees and increase overall health care costs for the state.

⁴ See Antonisse, Larisa and Rachel Garfield. “The Relationship Between Work and Health: Findings from a Literature Review.” Kaiser Family Foundation (2018). Available at <https://www.kff.org/medicaid/issue-brief/the-relationship-between-work-and-health-findings-from-a-literature-review/>.

⁵ Despite clear evidence about the likelihood of coverage losses, most states that have received waiver approvals or have submitted waiver proposals to implement these types of policies underestimate the impact on beneficiaries. See Flowers, Lynda, and Jean Accius. “The New Medicaid Waivers: Coverage Losses for Beneficiaries, Higher Costs for States.” AARP Public Policy Institute (June 2019). Available at: <https://www.aarp.org/ppi/info-2019/new-medicaid-waivers.html>

This is especially the case for enrollees undergoing lifesaving treatments or receiving treatment for chronic conditions, such as diabetes or high blood pressure. Imposing lock-outs on low-income Medicaid enrollees with serious health needs would have particularly harsh consequences on individuals, their families, their caregivers and the healthcare system. For example, an enrollee with a chronic health condition may lose access to lifesaving medication like insulin or anti-hypertensives. The coverage gaps created by lockout periods would invariably lead to worsened health conditions that would be more costly to treat later, the inability to manage care over time, and added uncompensated care costs for providers. In addition, worsened health status created by lock-outs make it more difficult for people to find and keep jobs.

While the *Idaho Medicaid Reform Waiver* proposal notes that this “at least two-month suspension” is not a fixed lock-out period, the waiver provisions on this issue appear to be contradictory and inconsistent with that claim. On the one hand, the waiver notes, “[u]nder Idaho law, a Medicaid member who fails to comply with the Requirements shall be ineligible for Medicaid for a period of two months.” On the other hand, it notes, “[s]ince individuals may demonstrate compliance at any time within the two-month penalty period and regain Medicaid eligibility, this penalty period is not a fixed eligibility lock-out.” In light of this language, AARP Idaho seeks clarity for how the two-month suspension differs from a “fixed” lock-out period and the process by which individuals can have their Medicaid eligibility reinstated. Specifically, we want to know: If an individual shows evidence of compliance, when would the Department reinstate his/her benefits? If an individual has his/her Medicaid eligibility suspended and then does nothing and the two-month suspension passes, is that individual automatically re-enrolled in Medicaid without taking any action or does he/she have to re-enroll? Must any suspension last for the minimum two-month period or can reinstatement happen earlier? If an individual is allowed to be reinstated earlier, to what date is eligibility made retroactive?

Additionally, the *Idaho Medicaid Reform Waiver* proposal is unclear as to how the Department will treat a beneficiary’s exemption. Will the Department test an individual’s exemption as part of its verification every six months? And what happens if an individual’s exempt status changes (e.g., a caregiver’s loved one does not meet the criteria for “serious illness” at a certain point)? Will that individual be subject to the same suspension and opportunities for reinstatement?

Administrative Procedures

The state’s decision to impose work and community engagement requirements on individuals in the expansion population will require new and robust outreach and education efforts as well as new administrative processes, procedures, and funding. As we have seen in other states, many individuals who were subject to work and community engagement requirements were unaware of the requirement. Additionally, the process for beneficiaries to report information to the state on how they are complying with the work and community engagement requirements has been expensive and challenging for individuals without computer access or the appropriate knowledge on how to utilize the proposed reporting system.

The *Idaho Medicaid Reform Waiver* proposal notes that the Department will seek to minimize administrative burden by leveraging “many of the same eligibility systems and processes used to verify and monitor compliance across” the SNAP and TANF programs. Even so, we remain concerned that significant changes in policy, like the imposition of work and community engagement requirements, will result in new and significant administrative costs to the state, including new staffing needs required to develop or expand reporting systems, verify the accuracy of beneficiary reporting, and conduct fact-finding hearings. Consider that states that are preparing for work requirements have increased administrative budget amounts by as much as 40 percent.⁶

Idaho’s timeline for implementing its Medicaid expansion is unusual. The state must begin enrolling individuals in the expansion population beginning January 1, 2020. However, the Department does not anticipate implementing the *Idaho Medicaid Reform Waiver* policy proposals until “about six months after initial CMS approval.” This will leave a gap of four or five months, at a minimum, during which the state will operate a standard expansion, without the unique waiver elements. The *Idaho Medicaid Reform Waiver* proposal identifies the need to transition individuals from standard expansion to an expansion build around work and community engagement activities. However, it does not take into account the difficulty of this undertaking for this state or the challenges of individuals forced to make this change, many of whom may be gaining health coverage for the first time. The Department should make public the ways in which it will help persons become aware of (e.g., letters and calls to beneficiaries and outreach to providers) and transition to (e.g., new workforce training opportunities) the Medicaid envisioned under the *Idaho Medicaid Reform Waiver* proposal.

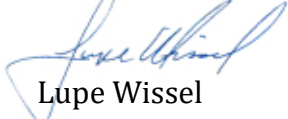
Conclusion

The *Idaho Medicaid Reform Waiver* proposal represents a significant change to Idaho’s Medicaid program and is a serious step backwards from the Medicaid expansion proposition passed by Idaho voters. The proposed work and community engagement requirements will likely worsen health outcomes for the state’s most vulnerable residents, create significant financial hardship for many Idaho Medicaid beneficiaries in need of coverage, increase the state’s administrative costs, and result in increased uncompensated care costs for Idaho’s health providers. AARP Idaho has continued to push the state to adopt a full Medicaid expansion as allowed under the ACA and we strongly believe that the *Idaho Medicaid Reform Waiver* proposal would divert the state’s attention away from pursuing a lasting solution to the state’s coverage gap.

⁶ Kim, Eric, and Robert Rowan. “Medicaid Waiver Actions Limit US States’ Cost Controls.” Fitch Ratings, Inc. (2018).

Thank you for the opportunity to raise AARP Idaho's concerns about this proposal. We look forward to discussing them with you. If you have any questions, please contact Francoise Cleveland, AARP Idaho's Advocacy Director, at fcleveland@aarps.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "Lupe Wissel". The signature is fluid and cursive, with a large initial "L" and "W".

Lupe Wissel
State Director, AARP Idaho



Cindy Brock, Division of Medicaid
Department of Health and Welfare
P.O. Box 83720
Boise, Idaho 83720-0009

September 16, 2019

The American Heart Association supports all Idahoans having access to adequate, affordable healthcare, and appreciates the opportunity to comment on the Medicaid 1115 waiver application for work reporting requirements. We appreciate the work being done to ensure the ballot measure passed in November 2018 to expand Medicaid is implemented, enabling low-income Idahoans to obtain the care they need. However, we oppose the 1115 work reporting requirement that will likely cause coverage losses for individuals and increase health care costs for all Idahoans.

We understand the desire to ensure those who receive state benefits contribute to earn those benefits, yet the work reporting requirements do not encourage or assist individuals ability to find work, or recognize that most of this population that is able to work already does so. This requirement simply adds the burden of navigating a complex bureaucratic process to the already challenging lives of those who work in low wage, hourly, or part time positions where work schedules are often inconsistent and can fluctuate week to week and month to month. As seen in other states that have attempted to implement these requirements, the difficulty of the reporting process itself causes many people to lose their health care coverage. A reporting requirement does not increase the number of employed individuals within this eligible population, or provide opportunity to improve financial circumstances. It simply creates another layer of administration and a barrier to health care access.

Additionally, chronic illnesses, like heart disease, require consistent monitoring, daily medication, and regular doctor visits to keep an individual healthy and productive. When coverage loss occurs, individuals with these conditions often go without this care, possibly leading to emergency room visits, hospital stays, or potential disability. Those without access to reliable health care are more likely to lose a job when they are unable to work due to deteriorating health conditions, the opposite of what this requirement seems to intend.

Further, the additional administrative costs to the state the work reporting requirements necessitate have not been factored into total costs. The churn of enrolling and dropping people on and off coverage, along with the actual health care costs that will continue to accrue for those without coverage, will undoubtedly require additional resources to administer. The secondary coverage gap when eligible individuals are dropped off Medicaid could result in higher health care costs for all Idahoans as uncompensated care is passed along through increasing health care premiums, hospital, and prescription costs. Given what we've seen take place in other states, courts have struck down work requirements similar to this, and we are likely to see lawsuits that will cost taxpayer dollars to defend work reporting requirements as well.



Living with chronic illnesses is difficult, and even more so while living near the poverty line, or without access to stable health care. Work reporting requirements do not help individuals in these circumstances obtain or excel in a job, access to adequate and dependable health care does. When a person knows they do not have to worry about an illness, or is able to see a doctor when necessary, they can focus on improving their education or achieving stability in work and income. Living without access to health care, with a chronic condition, or without a dependable income is challenging enough, the state should not use reporting requirements and administrative hassle to make it even harder.

We urge you to reject this waiver that will add costs for the state and all other Idahoans, without improving health care access or employment opportunities for those who are eligible for coverage under Medicaid expansion. We encourage you to implement the will of Idaho voters and help all Idahoans obtain adequate, accessible, and secure health care coverage and reject the 1115 waiver for work reporting requirements.

Sincerely,

Board of Directors
American Heart Association, Idaho

Erin Bennett
Government Relations Director
American Heart Association, Idaho

1115 Work Reporting Waiver Comments--OPPOSE

Cindy Brock, Division of Medicaid
Department of Health and Welfare
P.O. Box 83720; Boise, Idaho 83720-0009
(September 22, 2019)

Thank you for the opportunity to comment on Idaho's Section 1115 Medicaid waiver proposal. In November 2018, 61% of Idahoans voted for a clean Medicaid expansion, which would provide health coverage to as many as 90,000 low-income Idahoans. During the 2019 legislative session, Empower Idaho hoped to see clean implementation of the voter's will and expand Medicaid coverage without restriction. We ask that you reject this application because it will harm Idahoans by causing thousands of fewer people to enroll in Medicaid coverage, while causing others to forego needed care.

Empower Idaho provides public education and advocacy for adults with behavioral health conditions and the providers who care for them. We are trying to change the conversation of behavioral health in our state to one of understanding and compassion. In particular, work reporting requirements will have adverse effects on the adult behavioral health population due to the unique needs of this group. Adults with behavioral health conditions require consistent access to care in order to successfully manage their symptoms. When regular care, including access to psychotropic medication and counseling, is disrupted due to potential errors in work reporting on behalf of the patient, the ability to work is then directly threatened. It is essential to adults with behavioral health conditions to access regular care in order to sustain the demands of consistent employment. Without care, these patients could experience an episode of psychosis that impairs their functionality and may impede their ability to attend work, perform adequately, or healthfully cope with increased work-related stress. When this situation occurs, what is of greater concern is accessing care again as soon as possible. Requiring the additional task of demonstrating their work hours is placing undue burden on an individual whose compromised energy is better served addressing their most immediate need.

Work reporting requirements have been shown to create confusing bureaucratic hoops that are difficult for beneficiaries to navigate, which cause eligible people, like Idahoans with behavioral health conditions who would qualify for exemptions, to lose coverage. These proposed rules also unnecessarily grow government and waste taxpayer dollars. We're concerned that these requirements would create an expensive secondary coverage gap of uninsured Idahoans, threatening both Idaho's state budget and the livelihood of our communities. Without health coverage through Medicaid, many Idahoans with behavioral health conditions will not have the health care that is critical to stay healthy so they can work and contribute to our community.

In Arkansas - the only state to implement a policy similar to what Idaho proposes - more than 18,000 people lost their Medicaid coverage due to the new rules. Of those who lost coverage in 2018, 89 percent *still* remain uninsured in 2019. If Idaho suffered the same coverage loss rate as Arkansas did, over 26,000 Idahoans could lose their Medicaid coverage. In fact, because Idaho's application proposes

to exclude Idahoans from coverage who are not working at the time of application from eligibility, coverage losses would likely occur at a higher rate here.

[A recent study](#) found that in Arkansas, there was a 38 percent increase in the uninsured rate among people in the age range subject to the work requirement. Increasing the number of uninsured in Idaho would increase uncompensated care costs for hospitals and result in higher insurance premiums for all Idahoans. These costs will be passed on to taxpayers as well through Idaho's indigent care program. Everyone involved, from Idahoans to the state and federal governments, will be paying more for health care if this waiver is approved.

Last year, Idaho counties spent \$8.5 million for over 2,300 mental health care claims in crisis settings, like emergency rooms, which is where indigent Idahoans often seek care when they are in the midst of a behavioral health crisis. This is costly for our critical access hospitals and an inappropriate setting to care for patients with common treatable behavioral health conditions, like those living with a Major Depressive Episode or Alcohol Use Disorder. Instead, many of these individuals could be better served to more successfully manage their conditions if they were able to access regular preventive care. Work reporting requirements does not improve this status quo for the population Empower Idaho serves, but actually complicates access to health insurance for a population who need a clearer path to care for their serious conditions rather than an even more complex one.

Our priority is seeing vulnerable adults with behavioral health conditions have access to affordable regular, preventive care. Implementing restrictive work reporting requirements will complicate access to care and fail to serve this population in the way voters intended.

Instead of helping Medicaid enrollees, this waiver proposal would create widespread coverage losses and harm Idahoans with behavioral health conditions. Idaho should focus instead on implementing Medicaid expansion as passed by voters by helping to ensure that the thousands of uninsured Idahoans who urgently need it gain coverage. We ask that you reject this application and instead allow Idaho to implement a clean Medicaid expansion.

Thank you for your consideration.