FAMILIESUSA
THE VOICE FOR HEALTH CARE CONSUMERS

September 6, 2019

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

Re: Comments on Pending Healthy Indiana Plan 1115 Workforce Bridge Account Amendment

Submitted electronically via *Medicaid.gov*

Dear Secretary Azar:

Families USA, a leading national voice for health care consumers, is dedicated to the achievement of high-quality, affordable health care and improved health for all. We seek to make concrete and tangible improvements to the health and health care of the nation – improvements that make a real difference in people's lives. In all of our work, we strive to elevate the interests of children and families in public policy to ensure that their health and well-being is foremost on the minds of policymakers. We appreciate the opportunity to comment on Indiana's waiver amendment request to modify its existing waiver, Healthy Indiana Plan (HIP).

As expressed in our July 2017 comments, in which we opposed Indiana's previous amendment to the HIP waiver that added a work reporting requirement to the state's Gateway to Work program, it diminishes Medicaid enrollees' ability to access health care and goes against the objectives of the Medicaid program.[1] The state's proposed amendments to the HIP waiver do not address the unavoidable issue of coverage losses that will result from the work reporting requirement. Furthermore, the proposed amendments add additional complexity to what is already an administratively burdensome individual account structure.

The state's proposed exemptions from the work reporting requirement will not prevent beneficiaries from losing coverage.

As seen in other states, the biggest driver of disenrollment is the burden of reporting compliance with or exemption from work requirement. In states like Arkansas and New Hampshire, enrollees faced disenrollment due to the challenges associated with reporting their work or exempted status. In a study published in *The New England Journal of Medicine* (*NEJM*) in June 2019, researchers from Harvard T.H. Chan School of Public Health found that over 95% of enrollees subject to Arkansas' work reporting requirement were participating in qualifying activities or should have been exempt.[2] But thousands of enrollees still lost coverage, not because they weren't working, but because they were "unaware of the

[1] https://familiesusa.org/sites/default/files/comments/comments_1115_IN_0817.pdf
[2] Benjamin D. Sommers, Anna L. Goldman, Robert J. Blendon, E. John Orav, and Arnold M. Epstein, "Medicaid Work Requirements — Results from the First Year in Arkansas," *The New England Journal of Medicine* Special Report, June 19, 2019, https://www.nejm.org/doi/full/10.1056/NEJMsr1901772.

policy or were confused about how to report their status to the state." In New Hampshire, the state attempted to inform beneficiaries of the reporting requirement, but failed to obtain compliance information for thousands of beneficiaries who were at risk of losing coverage until the state decided to delay implementation of its work reporting requirement program.[3]

Indiana's proposed amendment would exempt members of federally recognized tribes and caretakers of dependent children under age 13. These exemptions do not address the fundamental problem with work reporting requirements: they don't promote work, they don't improve health outcomes, and they result in coverage losses for Medicaid beneficiaries. While these proposed exemptions may allow more enrollees to *qualify* for an exemption, they will still face the burden of reporting that exemption. As seen in other states, even enrollees who are exempt from the work requirement can still lose coverage due to the burden of reporting.

The state's proposed "Workforce Bridge Account" will not address the coverage losses that result from the work reporting requirement.

Indiana asserts in its amendment application that the work reporting requirement will result in increased employment, which will in turn increase enrollees income beyond the threshold to qualify for Medicaid. To "reduce churn in the HIP program," the state proposes to create yet another account to cover costs associated with commercial insurance. However, there is no evidence to suggest work reporting requirements result in increased employment. In fact, Arkansas' work reporting requirement resulted in no significant changes in employment, but did result in Medicaid coverage losses and an increase in the percentage of uninsured people in the state.[4][5]

Based on the state's unsupported assertion that work reporting requirements increase employment, the new Workforce Bridge Account makes funds available only to beneficiaries who lose coverage due to increased income. The enrollees who will actually lose coverage as a result of the burdensome work reporting requirement are not eligible for the Workforce Bridge Account and will continue to churn between Medicaid coverage and uninsured status.

Additionally, the state has not provided detailed information on the costs and how they will provide oversight for the new Workforce Bridge Account, which could be administratively burdensome. The state claims that the proposed amendment will have no impact on the existing HIP demonstration's budget neutrality and the additional funds needed for the Workforce Bridge Account will be offset by remaining balances in the POWER accounts. However, the state has noted previously that that the remaining balances in the POWER accounts in one year would be rolled over to reduce the amount the state would have to spend to fund them the next year. Using the remaining balances from the Power

[3] Jeffrey A. Meyers, New Hampshire Department of Health and Human Services, to Gov. Christopher T. Sununu, Donna M. Soucy, and Steve Shurtleff, July 8, 2019, https://www.dhhs.nh.gov/medicaid/granite/documents/ga-ce-findings.pdf.

[4] Benjamin D. Sommers, Anna L. Goldman, Robert J. Blendon, E. John Orav, and Arnold M. Epstein, "Medicaid Work Requirements — Results from the First Year in Arkansas," *The New England Journal of Medicine* Special Report, June 19, 2019, https://www.nejm.org/doi/full/10.1056/NEJMsr1901772.

accounts to fund the Workforce Bridge Account instead of rolling them over to reduce state costs would seemingly increase the state's net annual expenditures and affect the state's overall budget neutrality. Additional analysis is needed to understand the state and federal costs associated with the entire HIP waiver. CMS should require Indiana to furnish this detailed financial information and require that the state resubmit the waiver amendment in order to allow for full transparency in the public comment process.

The state's proposed amendment allows the HIP waiver to continue to diminish Medicaid enrollees' ability to access health care. If the state's honest intention is to promote coverage and reduce churn, then it simply should not move forward with its work reporting requirement.

Thank you for the opportunity to submit these comments. If you have any questions, please contact Emmett Ruff at ERuff@familiesusa.org or 202-628-3030.

Respectfully submitted,

Emmett Ruff
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