

August 20, 2018

Gretel Felton  
Deputy Commissioner, Beneficiary Services  
Alabama Medicaid Agency  
501 Dexter Avenue, P.O. Box 5624  
Montgomery, Alabama 36103-5624

Re: Alabama Medicaid Workforce Initiative Section 1115 Demonstration Application (July 31, 2018)

Dear Deputy Commissioner Felton:

The American Lung Association in Alabama appreciates the opportunity to submit comments on Alabama's Medicaid Workforce Initiative Section 1115 Demonstration Application.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease through research, education and advocacy. The work of the American Lung Association is focused on four strategic imperatives: to defeat lung cancer; to improve the air we breathe; to reduce the burden of lung disease on individuals and their families; and to eliminate tobacco use and tobacco-related diseases.

The American Lung Association in Alabama is committed to ensuring that Medicaid provides adequate, affordable and accessible health care coverage. The American Lung Association in Alabama submitted comments during the first state public comment period on this proposal (Attachment A) expressing our deep concern with Alabama's application, as it would jeopardize access to care and could have harmful implications for individuals with serious, acute and chronic diseases. The revised proposal dated July 31, 2018 does not address these concerns. The American Lung Association in Alabama therefore urges the Alabama Medicaid Agency to withdraw this application.

Alabama's proposal would still limit access to health care coverage for parents and caregivers making less than 18 percent of the federal poverty level (approximately \$312 per month for a family of three) and individuals receiving Transitional Medical Assistance if they do not work at least 35 hours per week, unless they qualify for certain exemptions that are not fully defined in the application. A parent of a child under age 6 must participate in work activities for at least 20 hours per week to maintain coverage.

Alabama's revised proposal provides beneficiaries with an additional 12 months of Transitional Medical Assistance (for a total of 18 months) if they continue to comply with the new requirements but no longer meet the eligibility criteria for the state's Medicaid program as a result of their increased earnings. This revision is both a temporary fix and insufficient one, as

individuals could still lose coverage if they get caught up in red tape trying to prove their continued compliance. Coverage for individuals with lung disease therefore remains at risk.

Additionally, Alabama also revised its proposal so that if the state finds that individuals have failed to comply with the new requirements, their health coverage will be terminated after 90 days. This means that failing to navigate burdensome administrative requirements to report hours worked could still have serious – even life or death – consequences for people with serious, acute and chronic diseases. People who are in the middle of treatment for a life-threatening disease, rely on regular visits with health care providers or must take daily medications to manage their chronic conditions cannot afford a sudden gap in their care.

Ultimately, the requirements outlined by Alabama still do not further the goals of the Medicaid program or help low-income families improve their circumstances without needlessly compromising their access to care. The American Lung Association in Alabama urges Alabama's Medicaid Agency to withdraw this application and instead focus on solutions that can promote adequate, affordable and accessible coverage in the state's Medicaid program. Thank you for reviewing our comments.

Sincerely,

A handwritten signature in black ink that reads "Ashley Lyerly". The signature is written in a cursive, flowing style.

Ashley Lyerly  
Director of Advocacy  
American Lung Association in Alabama



## Attachment A

April 2, 2018

Gretel Felton  
Deputy Commissioner, Beneficiary Services  
Alabama Medicaid Agency  
501 Dexter Avenue, P.O. Box 5624  
Montgomery, Alabama 36103-5624

Re: Alabama Medicaid Workforce Initiative Section 1115 Demonstration Application

Dear Deputy Commissioner Felton:

The American Lung Association in Alabama appreciates the opportunity to submit comments on Alabama's Medicaid Workforce Initiative Section 1115 Demonstration Application.

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease through research, education and advocacy. The work of the American Lung Association is focused on four strategic imperatives: to defeat lung cancer; to improve the air we breathe; to reduce the burden of lung disease on individuals and their families; and to eliminate tobacco use and tobacco-related diseases.

The American Lung Association in Alabama is committed to ensuring that Medicaid provides adequate, affordable and accessible health care coverage. Unfortunately, the proposed waiver jeopardizes access to care and could have harmful implications for individuals with serious, acute and chronic diseases. The American Lung Association in Alabama urges the Alabama Medicaid Agency withdraw this proposal.

Alabama's proposal would limit access to health care coverage for parents and caregivers making less than 18 percent of the federal poverty level (approximately \$312 per month for a family of three) and individuals receiving Transitional Medical Assistance if they do not work at least 35 hours per week, unless they qualify for certain exemptions that are not fully defined in the application. A parent of a child under age 6 must participate in work activities for at least 20 hours per week to maintain coverage.

A major consequence of this requirement will be to increase the administrative burden on all enrollees and on Medicaid employees. Increasing administrative requirements will likely decrease the number of individuals with Medicaid coverage, regardless of whether they are exempt or not. For example, after Washington state changed its renewal process from every twelve months to every six months and instituted new documentation requirements in 2003,

approximately 35,000 fewer children were enrolled in the program by the end of 2004.<sup>1</sup> In Alabama, the process of having to document exemptions from or compliance with the new requirements has not yet been developed, but is similarly likely to create substantial administrative barriers to accessing or maintaining coverage. Battling administrative red tape in order to keep coverage should not take away from patients' or caregivers' focus on maintaining their or their family's health.

Failing to navigate these burdensome administrative requirements could have serious – even life or death – consequences for people with serious, acute and chronic diseases. When the demonstration begins, individuals will have 90 days to comply with the new requirements or their Medicaid coverage will be terminated. Thereafter, if the state finds that individuals have failed to comply with the new requirements, their health coverage will be terminated after 30 days. People who are in the middle of treatment for a life-threatening disease, rely on regular visits with health care providers or must take daily medications to manage their chronic conditions cannot afford a sudden gap in their care.

Since Alabama's application does not provide sufficient detail on who will qualify for exemptions or how they will be identified, the American Lung Association in Alabama is 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. Regardless, it appears that even exempt enrollees will have to provide documentation of their medical condition validated by a medical professional, creating opportunities for administrative error that could jeopardize their coverage. No exemption criteria can circumvent this problem and the serious risk to the health of the people we represent.

Administering these requirements will also be expensive for the state of Alabama. While Alabama does not estimate these costs in its application, states such as Kentucky, Tennessee and Virginia have estimated that setting up the administrative systems to track and verify exemptions and work activities will cost tens of millions of dollars.<sup>2</sup> This would divert federal resources from Medicaid's core goal – providing health coverage to those without access to care.

Ultimately, the requirements outlined by Alabama do not further the goals of the Medicaid program or help low-income families improve their circumstances without needlessly compromising their access to care. Most people on Medicaid who can work already do so.<sup>3</sup> A recent study, published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees.<sup>4</sup> The study found only about a quarter were unemployed (27.6 percent). Of this 27.6 percent of enrollees, two thirds reported having a chronic physical condition and a quarter reported having a mental or physical condition that interfered with their ability to work.



The American Lung Association in Alabama urges Alabama's Medicaid Agency to withdraw this application and instead focus on solutions that can promote adequate, affordable and accessible coverage in the state's Medicaid program. Thank you for reviewing our comments

Sincerely,



Ashley Lyerly  
Regional Director of Public Policy  
American Lung Association in Alabama

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<sup>1</sup> Tricia Brooks, "Data Reporting to Assess Enrollment and Retention in Medicaid and SCHIP," Georgetown University Health Policy Institute Center for Children and Families, January 2009.

<sup>2</sup> Misty Williams, "Medicaid Changes Require Tens of Millions in Upfront Costs," Roll Call, February 26, 2018. Available at <https://www.rollcall.com/news/politics/medicaid-kentucky>.

<sup>3</sup> Rachel Garfield, Robin Rudowitz, and Anthony Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, February 2017. Available at <http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>.

<sup>4</sup> Renuka Tipirneni, Susan D. Goold, John Z. Ayanian. Employment Status and Health Characteristics of Adults With Expanded Medicaid Coverage in Michigan. *JAMA Intern Med*. Published online December 11, 2017. doi:10.1001/jamainternmed.2017.7055

