



American Heart Association.



AMERICAN LUNG ASSOCIATION.



CYSTIC FIBROSIS FOUNDATION®
ADDING TOMORROWS™



National Multiple Sclerosis Society



LEUKEMIA & LYMPHOMA SOCIETY®



GLOBAL HEALTHY LIVING FOUNDATION



Hemophilia Federation of America™



NATIONAL PSORIASIS FOUNDATION®



National Patient Advocate Foundation



National Alliance on Mental Illness



NORD®
National Organization for Rare Disorders



Arthritis Foundation®



PHA Pulmonary Hypertension Association
Empowered by hope



Chronic Disease Coalition



NATIONAL HEMOPHILIA FOUNDATION
for all bleeding disorders

February 7, 2019

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

Re: TennCare II Demonstration (No. 11-W-000151/4), Amendment 38

Dear Secretary Azar:

Thank you for the opportunity to submit comments on TennCare II Demonstration (No. 11-W-000151/4), Amendment 38.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions across the country. Our organizations have a unique perspective on what individuals need to prevent disease, cure illness and manage chronic health conditions. The diversity of our groups and the patients and consumers we represent enables us to draw upon a wealth of knowledge and expertise and serve as an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge the Department of Health and Human Services (HHS) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that Medicaid provides **adequate, affordable** and **accessible** healthcare coverage. Several 1115 waiver proposals submitted to and approved by the Centers for Medicare and Medicaid Services (CMS) in recent months have jeopardized patients' access to quality and affordable healthcare coverage.¹ Tennessee's proposed 1115 waiver amendment similarly threatens access to healthcare by creating new administrative barriers that could lead patients with serious, acute and chronic conditions to lose their healthcare coverage. One report estimates that approximately 68,000 low-income parents will lose coverage as a result of this policy.² Our organizations therefore ask CMS to reject the 1115 waiver amendment as it will jeopardize patients' access to quality and affordable healthcare.

Work and Community Engagement Requirement

The TennCare II Demonstration Waiver Amendment seeks to require parents living below 98 percent of the federal poverty level (\$20,903 per year for a family of three) to report at least 80 hours of work per month or attest that they meet certain exemptions. Increasing administrative requirements will likely decrease the number of individuals with Medicaid coverage, regardless of whether they are exempt or not. Arkansas is currently implementing a similar policy requiring Medicaid enrollees to report their hours worked or their exemption. Six months into implementation, the state had terminated coverage for more than 18,000 individuals and locked them out of coverage until January 2019.³ In another case, 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 2004.⁴ 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. If the state finds that individuals have failed to comply with the new requirements for four months within a six-month period, they will be locked out of coverage until they demonstrate their compliance for one month. People who are in the middle of treatment for a life-threatening disease, rely on regular visits with healthcare providers or must take daily medications to manage their chronic conditions cannot afford a sudden gap in their care.

Our organizations are also 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. Exempt enrollees will have to understand how to report exemptions and it is unclear how often they will need to do so, creating opportunities for administrative error that could jeopardize their coverage. An analysis of Arkansas's experience implementing similar requirements revealed that the process for reporting exemptions has been complex and has created confusion for enrollees.⁵ No exemption criteria can circumvent this problem and the serious risk to the health of the people we represent.

Administering these requirements will be expensive. States including Tennessee, as well as Michigan, Pennsylvania and Kentucky have estimated that setting up the administrative systems to track and verify exemptions and work activities will cost tens of millions of dollars.⁶ These costs would divert resources from Medicaid's core goal – providing health coverage to those without access to care.

Ultimately, the requirements outlined in this waiver 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.⁷ A study published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees.⁸ 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. In another report looking at the impact of Medicaid expansion in Ohio, the majority of enrollees reported that that being enrolled in Medicaid made it easier to work or look for work (83.5 percent and 60 percent, respectively).⁹ Terminating individuals' Medicaid coverage for non-compliance with these requirements will therefore hurt rather than help people search for and obtain employment. Our organizations urge HHS to reject Tennessee's Waiver Amendment request.

Budget Neutrality Estimate

The federal rules at 431.408 pertaining to state public comment process require at (a)(1)(i)(C) that a state include an estimate of the expected increase or decrease in annual enrollment and expenditures if applicable. The intent of this section of the regulations is to allow the public to comment on a Section 1115 proposal with adequate information to assess its impact. In order to meet these transparency requirements, Tennessee must include these projections and their impact on budget neutrality. In the interest of transparency, HHS should require Tennessee to, at a minimum, provide the required information to the public and reopen the comment period for an additional 30 days.

Our organizations believe everyone should have access to quality and affordable healthcare coverage. Tennessee's proposal does not advance that goal and we urge you to reject this waiver amendment.

Thank you for the opportunity to provide comments.

Sincerely,

American Heart Association
American Lung Association
Arthritis Foundation
Chronic Disease Coalition
Cystic Fibrosis Foundation
Global Healthy Living Foundation
Hemophilia Federation of America
Leukemia & Lymphoma Society
NAMI National Alliance on Mental Illness
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation
Pulmonary Hypertension Association

CC: The Honorable Seema Verma, Administrator
Centers for Medicare and Medicaid Services

Judith Cash, Director, State Demonstration Group
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services

¹ American Lung Association, A Coordinated Attack: Reducing Access to Care in State Medicaid Programs, July 2018. Accessed at <http://www.lung.org/assets/documents/become-an-advocate/a-coordinated-attack.pdf>.

² Georgetown University Health Policy Institute Center for Children and Families. Work Reporting Requirement for Tennessee Parents Would Harm Low-Income Families with Children. January 1, 2019. Accessed at: <https://ccf.georgetown.edu/wp-content/uploads/2019/01/TN-work-requirement-01-29.pdf>

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

⁴ 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.

⁵ MaryBeth Musumeci, Robin Rudowitz and Cornelia Hall, "An Early Look at Implementation of Medicaid AWork Requirments in Arkansas," Kaiser Family Foundation, October 8, 2018, https://www.kff.org/medicaid/issue-brief/an-early-look-at-implementation-of-medicaid-work-requirements-in-arkansas/?utm_campaign=KFF-2018-October-Medicaid-Arkansas-Work-Requirements.

⁶ Michigan House Fiscal Agency, Legislative Analysis of Healthy Michigan Plan Work Requirements and Premium Payment Requirements, June 6, 2018, <http://www.legislature.mi.gov/documents/2017-2018/billanalysis/House/pdf/2017-HLA-0897-5CEEF80A.pdf>; House Committee on Appropriations, Fiscal Note for HB 2138, April 16, 2018, <http://www.legis.state.pa.us/WU01/LI/BI/FN/2017/0/HB2138P3328.pdf>; Misty Williams, "Medicaid Changes Require Tens of Millions in Upfront Costs," Roll Call, February 26, 2018, <https://www.rollcall.com/news/politics/medicaid-kentucky>.

⁷ Rachel Garfield, Robin Rudowitz, and Anthony Damico, "Understanding the Intersection of Medicaid and Work," Kaiser Family Foundation, February 2017, <http://kff.org/medicaid/issue-brief/understanding-the-intersection-of-medicaid-and-work/>.

⁸ 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

⁹ Ohio Department of Medicaid, 2018 Ohio Medicaid Group VII Assessment: Follow-Up to the 2016 Ohio Medicaid Group VIII Assessment, August 2018. Accessed at: <http://medicaid.ohio.gov/Portals/0/Resources/Reports/Annual/Group-VIII-Final-Report.pdf>