October 11, 2019

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

Re: Montana Health and Economic Livelihood (HELP) Demonstration Program

Dear Secretary Azar:

Thank you for the opportunity to submit comments on Montana's Health and Economic Livelihood (HELP) Demonstration Program.

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. We strongly support Medicaid expansion in Montana. Over 92,000 low-income adults currently receive healthcare coverage through the state's Medicaid expansion. This means that thousands of enrollees are receiving prevention, early detection and diagnostic services as well as disease management and treatment for their conditions.[1] For example, over 2,500 adults have been diagnosed and treated for hypertension, 142 women have been diagnosed with breast cancer as a result of screening and over 35,000 adults have received outpatient mental health services.[2] Medicaid expansion is clearly beneficial for patients with serious and chronic health conditions.

Unfortunately, Montana's application to continue the HELP Demonstration Program also includes policies that threaten access to healthcare by creating new financial and administrative barriers that could lead patients with chronic and acute health conditions to lose their healthcare coverage. Our organizations therefore offer the following comments on Montana's proposal.

Premiums

Montana's Medicaid program currently charges premiums equal to two percent of modified adjusted gross income to adults with incomes above 50 percent of the federal poverty level ($889 for a family of three), and individuals with incomes above 100 percent of the federal poverty level ($1,778 per month for a family of three) can lose their coverage for failing to pay these premiums. The state proposes to increase premiums by 0.5 percent each year, up to a maximum of four percent, after individuals have been covered by the program for two years. This policy would likely both increase the number of enrollees who lose Medicaid coverage and discourage eligible people from enrolling in the program, as research has shown that even relatively low levels of cost-sharing for low-income populations limit the use of necessary healthcare services.[3] For example, when Oregon implemented a premium in its Medicaid program, with a maximum premium of $20 per month, almost half of enrollees lost coverage.[4] For individuals with health conditions, maintaining access to comprehensive coverage is vital to ensure they continue to maintain access to their physicians, medications and other treatments and services they need. Based on an evaluation of the state's current premium requirement, the state's application estimates that 2.9 percent of individuals will lose coverage as a result of this change, likely an underestimate given the increase in premiums under the proposed policy. Our organizations believe that these premiums create significant financial barriers for patients that jeopardize their access to needed care and urge CMS to reject this request.

Work Reporting Requirements

Under the application, individuals in the expansion population between the ages of 19 and 55 would be required to prove that they work at least 80 hours per month or meet exemptions. One major consequence of this proposal will be to increase the administrative burden on individuals in the Medicaid program. Increasing administrative requirements will likely decrease the number of individuals with Medicaid coverage, regardless of whether they are exempt or not. For 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.[5] Montana's own application includes an estimate that between 4,000 and 12,000 individuals could lose coverage as a result of the work reporting requirements alone but acknowledges that coverage losses could be even higher.[6]

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 after 180 days, their coverage would be suspended for 180 days unless they are able to demonstrate compliance or qualification for an exemption. 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. The state fails to clearly define certain exemptions in the application, which means individuals may not understand if

they qualify. Regardless, even exempt enrollees may have to report their exemption, creating opportunities for administrative error that could jeopardize their coverage. In Arkansas, many individuals were unaware of the new requirements and therefore unaware that they needed to apply for such an exemption.[7] 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 Montana. 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.[8] This would divert federal resources from Medicaid's core goal – providing health coverage to those without access to care – and compromise the fiscal health of Montana's 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.[9] A study published in *JAMA Internal Medicine*, looked at the employment status and characteristics of Michigan's Medicaid enrollees.[10] 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.

Additionally, as Montana itself notes in its application, recent research shows that the work reporting requirement in Arkansas did not lead to increased employment among the Medicaid population. A study in *The New England Journal of Medicine* found that the implementation of Arkansas's work requirement was associated with a significant loss of Medicaid coverage and no corresponding increase in employment, which indicates that individuals did not find other jobs that increased their income and provided other healthcare coverage. The study also estimates that 95 percent of Arkansans subject to the requirements already worked enough hours to meet the requirements or qualified for an exemption, which further confirms that most Medicaid beneficiaries are working if they are able to do so.

Continuous Medicaid coverage can actually help people find and sustain employment. 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).[11] That report also found that many enrollees were able to get treatment for previously untreated health conditions, which made finding work easier. Suspending individuals' Medicaid coverage for non-compliance with these requirements will hurt rather than help people search for and obtain employment.

Montana's Medicaid program already connects enrollees with Montana's Health and Economic Livelihood Partnership Link (HELP-Link), which provides workforce training to unemployed enrollees who face barriers to work such as limited skills and lack of access to support such as childcare and transportation. This program has reached 25,000 low-income adults since its launch, 70 percent of whom found jobs within a year after completing the program.[12] HELP-Link provides low-income adults a pathway to the labor market and employment opportunities that have increased Montanans earning potential without imposing administrative barriers that jeopardize patients' access to care. Our organizations therefore urge CMS to reject Montana's request to add new work reporting requirements to its Medicaid program.

Continuous Eligibility
Finally, Montana's application would continue its current policy providing 12 months of continuous eligibility to the Medicaid expansion population. This policy helps to reduce churn in the Medicaid program and minimize the administrative burden to both the state and enrollees. Our organizations support Montana's request to continue its continuous eligibility policy.

The undersigned organizations believe that healthcare coverage should be affordable, accessible and adequate for patients with chronic and acute health conditions. We urge CMS to approve renewal of Montana's continuous eligibility policy, but deny the other requests for higher premiums and work reporting requirements. Thank you for the opportunity to provide comments.

Sincerely,

ALS Association
American Heart Association
American Liver Foundation
American Lung Association
Arthritis Foundation
Epilepsy Foundation
Hemophilia Federation of America
Leukemia & Lymphoma Society of America
Lutheran Services in America
March of Dimes
National Hemophilia Foundation
National Multiple Sclerosis Society
National Organization for Rare Disorders
National Patient Advocate Foundation
National Psoriasis Foundation
Susan G. Komen
United Way Worldwide

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] Montana Department of Public Health and Human Services, Montana Medicaid Expansion Dashboard January 28, 2019. Available at: https://dphhs.mt.gov/helpplan/medicaidexpansiondashboard
[2] Id.

[3] Samantha Artiga, Petry Ubri, and Julia Zur, "The Effects of Premiums and Cost Sharing on Low-Income Populations: Updated Review of Research Findings," Kaiser Family Foundation, June 2017. Available at: https://www.kff.org/medicaid/issue-brief/the-effects-of-premiums-and-cost-sharing-on-low-income-populations-updated-review-of-research-findings/.

[4] Id.

[5] Robin Rudowitz, MaryBeth Musumeci, and Cornelia Hall, "A Look at February State Data for Medicaid Work Requirements in Arkansas," Kaiser Family Foundation, December 18, 2018. Available at: https://www.kff.org/medicaid/issue-brief/a-look-at-november-state-data-for-medicaid-work-requirements-in-arkansas/; Arkansas Department of Health and Human Services, Arkansas Works Program, December 2018. Available at: http://d31hzlhk6di2h5.cloudfront.net/20190115/88/f6/04/2d/3480592f7fbd6c891d9bacb6/011519_AWReport.pdf

[6] Montana Department of Public Health and Human Services, Section 1115 Demonstration Amendment and Extension Application, July 23, 2019. Available at: https://dphhs.mt.gov/Portals/85/Documents/MedicaidExpansion/UpdatedApplicationforAmendmentandExtension-draft.pdf.

[7] Jessica Greene, "Medicaid Recipients' Early Experience With the Arkansas Medicaid Work Requirement," Health Affairs, Sept. 5, 2018. Available at: https://www.healthaffairs.org/do/10.1377/hblog20180904.979085/full/.

[8] 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.

[9] 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/.

[10] 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

[11] 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.

[12] Hannah Katch, "Proposed Restrictions Could Undermine Montana's Successful Medicaid Expansion," Center for Budget and Policy Priorities, February 13, 2019, https://www.cbpp.org/research/health/proposed-restrictions-could-undermine-montanas-successful-medicaid-expansion#_ftn1