

March 6, 2019

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

Re: Requests to Impose Work-Reporting Requirements on Very Low-Income Parents

Dear Secretary Azar:

As organizations that share a strong commitment to the health and well-being of our nation's children, pregnant women, and families, we are united in our growing concern about the possibility of the Centers for Medicare & Medicaid Services (CMS) approving pending section 1115 waiver requests to impose work-reporting requirements on very low-income parents and caregivers covered by Medicaid. The Affordable Care Act (ACA) allowed states to expand Medicaid to cover parents and other adults up to 138 percent of the poverty level, but currently five states (Alabama, Mississippi, Oklahoma, South Dakota, and Tennessee) that have not expanded Medicaid, have proposals pending with CMS that would target new work requirements on very low-income parents and caregivers, individuals who must be covered under §1931 of the Social Security Act. We are united in our view that approval of these requests would be extremely harmful to very vulnerable children and their families and would directly contradict the objectives of the Medicaid program.

Medicaid's core mission is to provide comprehensive health coverage to low-income adults, individuals with disabilities and children. Data from the state of Arkansas make it abundantly clear that substantial coverage losses will occur in states that pursue work-reporting requirements. In the five states noted above with applications pending, these coverage losses would be entirely aimed at very poor parents – mostly mothers. These new eligibility hurdles would make it difficult to stay enrolled even when eligibility criteria are met. As parents lose coverage, we expect that children would lose coverage as well, because research is very clear that an uninsured parent is much more likely to have an uninsured child.¹ We are especially troubled that this may occur at a time when the number and rate of uninsured children are increasing for the first time in many years.²

In Arkansas, over 18,000 people lost Medicaid coverage in just four months due to the work reporting requirement – a staggering coverage loss ratio of 23 percent. Each month, less than one percent of those subject to the new rules are reporting work hours.³ The low level of reporting, together with the lack of an approved evaluation design, led the Medicaid and CHIP Payment and

¹ J. Hudson and A. Moriya, "Medicaid Expansion for Adults Had Measurable 'Welcome Mat' Effects on Their Children" (Washington: Health Affairs, September 2017).

² Source: Table HIC-5, Health Insurance Coverage Status and Type of Coverage by State - Children Under 19: 2008 to 2017, Health Insurance Historical Tables, U.S. Census Bureau American Community Survey (ACS).

³ R. Rudowitz, M.B. Musumeci, and C. Hall, "Year End Review: December State Data for Medicaid Work Requirements in Arkansas" (Washington: Kaiser Family Foundation, January 2019), available at <https://www.kff.org/medicaid/issue-brief/state-data-for-medicaid-work-requirements-in-arkansas/>.

Access Commission to urge the Department to stop Arkansas from disenrolling more people and to prevent other states from implementing similar requirements.⁴

The Kaiser Family Foundation found that coverage losses in Arkansas were negatively impacting beneficiaries' health and impeding their ability to work, especially for individuals who rely on regular prescriptions to manage chronic conditions. Beneficiaries were often unaware of or confused by the new work reporting rules and rather than providing an additional incentive to work, the new requirements were adding anxiety and stress to people's lives. Moreover, health care providers noted that they could face increases in uncompensated care costs if patients lost Medicaid coverage and became uninsured.⁵

The harm from work-reporting requirement policies would be even worse in states that have not adopted the Medicaid expansion, because those affected have even lower incomes and therefore are less likely to get needed health care services without Medicaid coverage. In Alabama, for example, only the poorest parents and caregivers, those making 18 percent of the poverty level or less—\$3,740 a year for a family of three or about \$312 a month—now qualify. Alabama's proposal creates a Catch-22—any parent working the 20 to 35 hours required would make too much money to qualify for Medicaid—but likely not enough to afford private insurance.⁶ Imposing work reporting requirements in these states would result in coverage losses disproportionately affecting mothers, African Americans, and families living in rural communities.⁷

Low-income parents will lose health coverage if these barriers to Medicaid are allowed to be put in place. Whether or not a parent has health care coverage can have a profound effect on the health and well-being of their children. Parents' health coverage status impacts children in the following ways:

⁴ Medicaid and CHIP Payment and Access Commission Letter to the Secretary, November 2018, <https://www.macpac.gov/wp-content/uploads/2018/11/MACPAC-letter-to-HHS-Secretary-Regarding-Work-Requirements-Implementation.pdf>.

⁵ M.B. Musumeci, R. Rudowitz, and B. Lyons, "Medicaid Work Requirements in Arkansas: Experience and Perspective of Enrollees" (Washington: Kaiser Family Foundation, December 2018), available at <http://files.kff.org/attachment/Issue-Brief-Medicaid-Work-Requirements-in-Arkansas-Experience-and-Perspectives-of-Enrollees>.

⁶ J. Alker, P. Jordan, O. Pham, and K. Wagnerman, "The Impact of Alabama's Proposed Medicaid Work Requirement on Low-Income Families with Children" (Washington: Georgetown University Center for Children and Families, March 2018), available at <https://ccf.georgetown.edu/2018/03/19/the-impact-of-alabamas-proposed-medicaid-work-requirement-on-low-income-families-with-children/>.

⁷ See J. Alker, P. Jordan, O. Pham, and K. Wagnerman, "Proposed Medicaid Work Requirement: Impact on Mississippi's Low-Income Families" (Washington: Georgetown University Center for Children and Families, April 2018), available at <https://ccf.georgetown.edu/2018/04/05/impact-of-mississippi-proposed-new-medicaid-restrictions-on-low-income-families-with-children/> and "Medicaid Waiver Proposal for Oklahoma Medicaid Beneficiaries Would Harm Low-Income Families" (Washington: Georgetown University Center for Children and Families and Oklahoma Policy Institute, January 2019), available at <https://ccf.georgetown.edu/2019/01/11/medicaid-waiver-proposal-for-oklahoma-medicaid-beneficiaries-would-harm-low-income-families-with-children/> and "Work Reporting Requirement for Tennessee Parents Would Harm Low-Income Families with Children" (Washington: Georgetown University Center for Children and Families and Tennessee Justice Center, January 2019), available at <https://ccf.georgetown.edu/2019/01/30/work-reporting-requirement-for-tennessee-parents-would-harm-low-income-families-with-children/>.

Parents' inability to access needed health care can impact their children's healthy development. Positive outcomes for children rely on the overall health of their parents and caregivers. Children's relationships and interactions with adults in their lives influence their brain structure and function and, in turn, their ability to thrive. Maternal depression, for example, has been shown to negatively impact young children's cognitive and social-emotional development, as well as their educational and employment opportunities later on in life. More than half of infants born into poverty have a mother who is experiencing some depressive symptoms, yet few of these mothers are able to access successful treatment due to barriers such as cost of care and lack of insurance.⁸ Medicaid has shown clear success in lowering rates of depression.⁹ Parents who have access to health care are better able to actively support and nurture their children's healthy development.

Children are at greater risk of becoming uninsured as their parents lose coverage. Research is clear that when parents have health insurance their children are more likely to be insured as well.¹⁰ Thanks to Medicaid, CHIP, and the ACA the rate of uninsured children has declined in the past two decades reaching its lowest level on record (4.5 percent) in 2016.¹¹ New coverage pathways for parents under the ACA played a key "welcome mat" role: Between 2013-2015, 710,000 children gained coverage as millions of parents gained coverage for the first time.¹² But this positive trend is reversing course. In 2017, the rate of uninsured children increased for the first time since 2008 when the American Community Survey first began collecting this data.¹³ Children whose parents are insured are almost always insured themselves, whereas 21.6 percent of children whose parents are uninsured are also uninsured.¹⁴ Research also demonstrates that when parents have health insurance, children are more likely to get the care they need. A recent study found that increases in adult Medicaid eligibility levels were associated with a greater likelihood that children in low-income families received at least one annual well-child visit.¹⁵

Loss of health coverage places the whole family at financial risk. Medicaid coverage for low-income parents helps parents afford the health care they need and contributes to improved mental health.¹⁶

⁸ T. Veriker, J. Macomber, and O. Golden, "Infants of Depressed Mothers Living in Poverty: Opportunities to Identify and Serve" (Washington: The Urban Institute August 2010), available at <http://www.urban.org/research/publication/infants-depressed-mothersliving-poverty-opportunities-identify-and-serve>.

⁹ Baicker, K., Taubman, S., Allen, H., et al, "The Oregon Experiment – Effects of Medicaid on Clinical Outcomes," *N Engl J Med* 2013; 368:1713-1722.

¹⁰ See J. Hudson and A. Moryia, *ibid*.

¹¹ J. Alker and O. Pham, "Nation's Uninsured Rate for Children Drops to Another Historic Low in 2016" (Washington: Georgetown University Center for Children and Families, September 2017), available at <https://ccf.georgetown.edu/wp-content/uploads/2017/09/Uninsured-rate-for-kids-10-17.pdf>.

¹² Hudson, J. L., & Moryia, A. S. (2017). Medicaid Expansion For Adults Had Measurable 'Welcome Mat' Effects On Their Children. *Health Affairs*, 36(9), 1643-1651. doi:10.1377/hlthaff.2017.0347

¹³ J. Alker and O. Pham, "Nation's Progress on Children's Health Coverage Reverses Course" (Washington: Georgetown University Center for Children and Families, November 2018), available at <https://ccf.georgetown.edu/2018/11/21/nations-progress-on-childrens-health-coverage-reverses-course/>.

¹⁴ M. Karpman and G. Kenney, "Health Insurance Coverage for Children and Parents: Changes Between 2013 and 2017" (Washington: Urban Institute, September 2017), available at <http://hrms.urban.org/quicktakes/health-insurance-coverage-children-parents-march-2017.html>.

¹⁵ M. Venkataramani, C.E. Pollack, and E.T. Roberts, (2017). Spillover Effects of Adult Medicaid Expansions on Children's Use of Preventive Services. *Pediatrics*. doi:10.1542/peds.2017-0953, available at <http://pediatrics.aappublications.org/content/pediatrics/early/2017/11/09/peds.2017-0953.full.pdf>.

¹⁶ S. McMorro et al., "Medicaid Expansion Increased Coverage, Improved Affordability, and Reduced Distress for Low-Income Parents," *Health Affairs* 36 No. 5, May 2017.

Numerous studies have shown that Medicaid significantly reduces the burden of poverty in the United States.¹⁷ Loss of Medicaid coverage will reverse these gains and inhibit vulnerable parents from improving their family’s economic circumstances, putting them at greater risk of medical debt.

While our organizations believe helping connect people to work is a worthwhile goal, these waivers do not address the real barriers to employment faced by poor families, such as a lack of access to childcare, job training and transportation. We urge you to deny states’ requests to impose work reporting requirements on extremely low-income parents and caregivers, and reconsider any other Medicaid policies that place new obstacles between children and families and the health care they need. Health care is a critical foundation for families and children struggling to thrive. Cutting families off coverage will only make it more difficult for them to be productive, healthy, and engaged members of their communities.

Sincerely,

CC: Seema Verma, Chris Traylor, Judith Cash

American Academy of Pediatrics
American College of Obstetricians and Gynecologists
American College of Physicians
American Diabetes Association
American Music Therapy Association
American Physical Therapy Association
American Psychological Association
American Speech-Language-Hearing Association
Asian & Pacific Islander American Health Forum
Association of Asian Pacific Community Health Organizations
Association of University Centers on Disabilities (AUCD)
Autistic Self Advocacy Network
Bazelon Center for Mental Health Law
Catholic Health Association of the United States
Center for Law and Social Policy (CLASP)
Center for Public Representation
Children's Defense Fund
Children's Dental Health Project
Community Catalyst
The Consortium
Cystic Fibrosis Foundation
Epilepsy Foundation
Families USA
Family Voices
First Focus
Georgetown University Center for Children and Families

¹⁷ N. Zewde and C. Wilmer, “Antipoverty Impact of Medicaid Growing with State Expansions Over Time,” *Health Affairs* 38, No. 1 (2019): 132–138.

Guttmacher Institute
Healthy Schools Campaign
HIV Medicine Association
The Jewish Federations of North America
Justice in Aging
Legal Action Center
March of Dimes
MomsRising
The National Alliance to Advance Adolescent Health
National Alliance on Mental Illness
National Association for Children's Behavioral Health
National Association of Community Health Centers
National Association of Pediatric Nurse Practitioners
National Association of Secondary School Principals
National Association of Social Workers
National Center for Children in Poverty
National Center for Law and Economic Justice
National Disability Rights Network
National Employment Law Project
National Health Care for the Homeless Council
National Partnership for Women & Families
National Women's Health Network
NMAC
Prevent Blindness
Raising Women's Voices for the Health Care We Need
Service Employees International Union
United Way Worldwide
University of Missouri
ZERO TO THREE
1000 Days