



July 10, 2019

Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Re: South Carolina Community Engagement 1115 Medicaid Waiver Application

Dear Administrator Verma:

The American College of Physicians appreciates this opportunity to comment on the South Carolina Community Engagement 1115 Medicaid Waiver Application. The American College of Physicians is the largest medical specialty organization and the second largest physician group in the United States, representing 159,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness.

ACP supports a number of aspects of the proposal, including expanded coverage for parents and caretakers and additional care opportunities for people with substance use disorders. Despite these improvements, we are concerned about the proposal to implement community engagement requirements for the Parent Caretaker Relative and Transitional Medicaid Assistance groups and offer the following comments:

Community Engagement/Work Requirements

The proposal would raise Medicaid eligibility to parents and caretakers from the current cap of 67% of the federal poverty level (FPL) to 100% FPL. Although this is a positive move that could extend coverage to over 30,000 South Carolinians, it could be undermined by the community engagement provision.

ACP policy states that work-related or job search activities should not be a condition of eligibility for Medicaid. Assistance in obtaining employment, such as through voluntary enrollment in skills- and interview-training programs, can appropriately be made available provided that is not a requirement for Medicaid eligibility. Work or community engagement status should not be a condition of Medicaid eligibility for a variety of reasons. According to the Kaiser Family Foundation, 60% of nonelderly adults are already working and 8 in 10 live in families with at least one person employed (i). Those who are not working often have a valid reason; they may be taking care of a loved one, going to school, unable to

find employment, or are sick or disabled. South Carolina attempts to address this by exempting certain groups from the community engagement requirement, including pregnant women; the Aged, Blind, or Disabled population; and qualified primary caregivers of a child and/or disabled adult.

A research letter surveying people enrolled in Michigan's Medicaid expansion program, the Healthy Michigan Plan, found that enrollees were "more likely to report being unable to work if they were older, male, or in fair or poor health or had chronic health conditions or functional limitations" (ii). One survey found that 55% of people who were unemployed reported that enrolling in Medicaid enabled them to search for a job and those that were working said they were able to do their job better after they gained coverage (iii). A study of Ohio Medicaid enrollees found that about 75% of unemployed people who were searching for a job reported that Medicaid coverage made it easier to search for employment and 52% of those currently employed said the coverage enabled them to continue working (iv). If the sick and disabled are disenrolled from Medicaid, they will lose the health insurance that could empower them to work and further their engagement in the community.

Work requirements will impose an unnecessary and unjustified burden on patients to document that they fit into an eligible exemption and an unnecessary and unjustified burden on physicians who would may be asked to attest that their patients have an exempted medical condition. For patients, work requirements will place an onerous reporting burden that may cause them to delay or forego care or leave the program altogether. Evidence shows that when Medicaid and other programs add paperwork and other administrative requirements, enrollees are less likely to participate (v,vi,vii). ACP greatly appreciates CMS' initiative to reduce administrative burdens through its Patients Over Paperwork initiative, but work requirements could add substantial paperwork hassles that will reduce the amount of time physicians have to care for their patients. Further, work requirements may force physicians to make a choice between compromising their professional integrity and causing their patients to lose health coverage if a patient seeks a disability assessment to become exempt from the work requirement.

South Carolina's application states that the waiver will test whether participation in community engagement opportunities will result in transitions to other health insurance and an increase in the number of individuals entering the workforce. Evidence from Arkansas' community engagement programs shows that work requirements may not achieve these goals but do lead to substantial coverage losses. Over 18,000 Arkansans lost Medicaid coverage in 2018 as a result of the state's community engagement waiver and 89% have not reenrolled as of February 2019 (viii). Although that state, like South Carolina, included exemptions for certain disabled individuals, many enrollees with disabilities lost their coverage due in part to the complex exemption application and reporting process (ix). The Medicaid and CHIP Payment Advisory Commission recommended in November 2018 that Arkansas pause disenrollments for those that did not meet the work requirement because of concerns about low beneficiary awareness and difficulties with the reporting system (x). A recent study found that "implementation of the first-ever work requirements in Medicaid in 2018 was associated with significant losses in health insurance coverage in the initial 6 months of the policy but no significant change in employment. Lack of awareness and confusion about the reporting requirements were common, which

may explain why thousands of persons lost coverage even though more than 95% of the target population appeared to meet the requirements or qualify for an exemption” (xi).

ACP believes work requirements are inconsistent with the purpose of the Medicaid program because they impose harmful and unnecessary eligibility conditions and administrative burdens that could result in many of the most vulnerable South Carolinians losing coverage. We know that uninsurance is associated with increases in mortality (xii). Any policy that reverses the gains in health and well-being from being insured is unacceptable.

Thank you for considering our comments. If you have any questions please contact Ryan Crowley, Senior Associate for Health Policy at rcrowley@acponline.org.

Sincerely,



Robert McLean, MD, FACP
President
American College of Physicians

ⁱ Garfield R, Rudowitz R, and Damico A. Understanding the Intersection of Medicaid and Work. Kaiser Family Foundation. January 2018.

ⁱⁱ Tipirneri R, Goold SD, Ayanian JZ. Employment Status and Health Characteristics of Adults with Expanded Medicaid Coverage in Michigan. *JAMA*. 2017;doi:10.1001/jamainternmed.2017.7055

ⁱⁱⁱ University of Michigan Institute for Healthcare Policy and Innovation. Medicaid Expansion Helped Enrollees Do Better at Work or in Job Searches. July 27, 2017. Accessed at <http://ihpi.umich.edu/news/medicaid-expansion-helped-enrollees-do-better-work-or-job-searches>

^{iv} Ohio Department of Medicaid. Ohio Medicaid Group VIII Assessment: A Report to the Ohio General Assembly.

^v Herd P. How Administrative Burdens Are Preventing Access to Critical Income Supports for Older Adults: The Case of the Supplemental Nutrition Assistance Program. *Public Policy and Aging Report*. 2015;25:52-55.

^{vi} U.S. Government Accountability Office. Medicaid: States Reported That Citizenship Documentation Requirement Resulted in Enrollment Declines for Eligible Citizens and Posed Administrative Burdens. 2006. Accessed at <https://www.gao.gov/assets/270/263053.pdf>

^{vii} Sanger-Katz M. Hate Paperwork? Medicaid Recipients Will Be Drowning in It. *New York Times*. January 18, 2018. Accessed at <https://www.nytimes.com/2018/01/18/upshot/medicaid-enrollment-obstacles-kentucky-work-requirement.html>

^{viii} <https://www.kff.org/medicaid/issue-brief/state-data-for-medicaid-work-requirements-in-arkansas/>

^{ix} <https://www.kff.org/report-section/disability-and-technical-issues-were-key-barriers-to-meeting-arkansas-medicaid-work-and-reporting-requirements-in-2018-issue-brief/>

^x <https://www.macpac.gov/wp-content/uploads/2018/11/MACPAC-letter-to-HHS-Secretary-Regarding-Work-Requirements-Implementation.pdf>

^{xi} <https://www.kff.org/report-section/disability-and-technical-issues-were-key-barriers-to-meeting-arkansas-medicaid-work-and-reporting-requirements-in-2018-issue-brief/>

^{xii} Woolhandler S and Himmelstein DU. The Relationship of Health Insurance and Mortality: Is Lack of Insurance Deadly? *Ann Intern Med*. 2017;167(6):4240431. Accessed at <http://annals.org/aim/fullarticle/2635326/relationship-health-insurance-mortality-lack-insurance-deadly>